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FINANCIAL TIMES

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THE QUEEN'S AWARD TO INDUSTRY 1971 1975

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NEWS SUMMARY

GENERAL

Space link-up: 'A good show'

Welcome signs and traditional borscht soup awaited the Apollo astronauts aboard the Russian Soyuz spacecraft after their successful link-up and handshake in space over Europe last night.

Displaying his command of idiomatic English, Soyuz commander Alexei Leonov told Tom Stafford after the flawless docking: "Well done, Tom. It was a good show."

The two capsules came together with unerring accuracy after their two-day space chase. Shortly afterwards, there was some alarm as the Apollo crew reported a strong smell of burning, but this quickly dissipated and there was no danger.

The crews were greeted later by President Ford and Mr. Brezhnev.
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Four soldiers die in Ulster

Four British soldiers died in a Provo booby trap bomb explosion in South Armagh yesterday and the incident, coupled with earlier shooting attacks on troops in Belfast, raised the question whether the Ulster ceasefire is not now merely a state of limited hostilities.

The dead men had been investigating a milk churn left by the roadside. There are signs that Ulster is talking itself into war again, with widespread predictions of large-scale violence before the year's end. Page 8

Death crash on old folks' outing

A woman died and 24 people were taken to hospital after two coaches carrying pensioners on an outing were in collision with a road tanker and a car on the M-2 near Faversham, Kent. The accident brought to 50 the number of people in Britain killed in coach crashes in just over six weeks. In another coach accident near Bristol yesterday, 14 elderly people were taken to hospital after a collision with an articulated lorry.

Israel plays it cool

As Egyptians slaughtered calves at the feet of visiting King Khalid, the Saudi Arabian monarch's impending talks with President Sadat took on new urgency in the light of Egypt's decision not to extend the mandate of the UN buffer troops in Sinai. Syrian and Palestinian forces have been put on alert, informed sources say, but there is little sign of reaction in Israel.
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MP home to-day

Mrs. Barbara Stonehouse, wife of runaway MP John Stonehouse, will not meet him when he arrives at London airport to-day under police escort. "It will be chaos there when he lands," she predicted.

People, places

Labour MP Mrs. Maureen Colquoun (Northants N.) said yesterday she would turn down her £24 a week pay rise.

Oil-rich Gulf States bought almost half the $9bn. increased U.S. arms sales of the past year.
Page 4

Lax cockpit atmosphere in which pilots of a landing DC-9 talked about politics and used cars, contributed to the plane's crash in North Carolina last year, causing 72 deaths, official inquiry found.

Thunderstorms, bringing flooding in their wake, broke the sultry spell over many parts of Britain last night. Lancashire and Yorkshire were most affected initially.

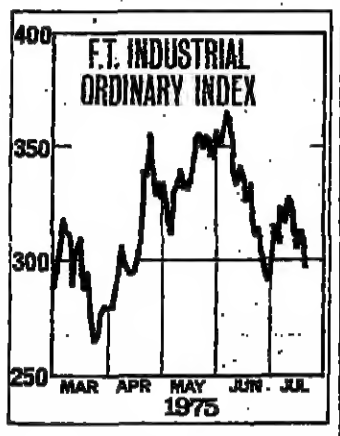
All Dominic Wigan's starred selections won yesterday: Soldier Rose, 5-4; Trumpers, 85-40; Orchy, 4-1. Racing, Page 3

BUSINESS

Equities slide 11.1 to below 300 mark

● EQUITIES had little support as gilt-edged became the centre of interest. Light selling depressed the leaders and the FT 30-share index closed at the day's lowest with a fall of 11.1 to 296.8.

● GILTS were encouraged by the take-up of the new "tap" stock. Mediums and longs extended early small gains to around ⅛.



● STERLING fell 55 points to $2.1800; its weighted depreciation improved to 26.6 (26.9) per cent. Dollar's fall again narrowed to 4.26 (4.39) per cent.

● GOLD was 20 cents lower at $164.

● WALL STREET fell 7.83 to 864.28 after profit-taking on news from the Middle East and further rises in prime rates.

● BUNDESBANK has lowered its minimum reserve requirement for foreign liabilities into line with that for domestic liabilities from August 1.

● CHASE MANHATTAN Bank is raising its prime rate from 7 to 7¼ per cent.

U.S. economy slide slows

● U.S. GROSS National Product declined by only 0.3 per cent. in the first quarter of 1975, giving further support to Government's belief tha the recession has bottomed out.
Back Page

● AMERICAN TELEPHONE AND TELEGRAPH has placed $100m. of six-year notes with the Saudi Arabian Government at 8.4 per cent.
Back Page

● WHEAT PREMIUM of about £4 a tonne planned by the EEC may be delayed or abandoned now that Canada has joined the U.S. in announcing sales to Russia.
Page 27

● COMPENSATION from the Government of £257.6m. is to be paid to the electricity industry and £42.3m. is going to the British Gas Corporation to pay for price restraint last year.
Page 14

● BUILDING SOCIETIES report a record half year in attracting funds. Net inflow reached £1.67bn. and the outlook for mortgage seekers seems optimistic.
Page 8

COMPANIES

● BARKER AND DOBSON, which said last month it had found "inaccuracies" in its accounts, reports a pre-tax loss of £2.24m. for the year ended March 29.
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● GREAT UNIVERSAL STORES reports pre-tax profits of £89.04m. (£88.02m.) for the year ended March 31.
Page 19 and Lex

● SCOTTISH AND NEWCASTLE BREWERIES is to raise £21m. in a one-for-four rights issue at 40p.
Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treasury 12½pc 1993	£92½	+ ⅜
Airfix N.V.	55	+ 4
Central Manf.	62½	+ 4
Channel Tunnel	32	+ 12
Glos. Chelt. Greyhnds.	47	+ 7
Wilkinson Match	119	+ 5
FALLS		
Treasury 3½pc '79-81	£74¾	− ¼
Bass Charrington	85	− 7
Boots	191	− 6
Bats	313	− 8
Burton "A"	39	− 9½
Cawoods	136	− 14
Compair	48xr	− 6
Courtaulds	109	− 6
BRG	99	− 5
Distillers	119	− 18½
Fisons	345	− 18
Hawker Siddeley	252	− 12
Heath (C. E.)	210	− 10
ICI	251	− 5
Lonrho	115	− 7
Lucas Inds.	107	− 7
Manbre and Garton	102	− 8
Marks and Spencer	96	− 4
Nat. Carbonising	31	− 4
Pearl Assurance	196	− 10
Rank Org. "A"	147	− 6
Reckitt and Colman	303	− 13
Rowntree Mackintosh	118	− 8
Royal Worcester	110	− 26
Scot. Newcastle Brew.	47½	− 3½
Tate and Lyle	200	− 15
Thorn Elect.	180	− 8
Turriff Const.	50	− 8
UDS	74	− 4
BP	533	− 12
Cons. Gold Fields	232	− 8
Gold Fields SA	£23	− 1½
Marievale	330	− 15
Rand Selection	925	− 25

Portuguese crisis deepens as fourth coalition falls

BY JANE BERGEROL: LISBON, July 17

The fall of Portugal's fourth coalition Government, following the Popular Democratic Party's decision early this morning to resign, has brought Portugal nearer to the brink of total revolution than it has ever been since the April 25 officers' coup 16 months ago.

The Popular Democrats said to-night they left the Government because the Supreme Revolutionary Council "failed to resolve the problem of freedom of the Press, refused to accept that its direct democracy plan be revised, gave no guarantees for prompt municipal council elections and refused to accept measures to end the crisis of authority."

After attempts to sack the Communist-sympathising Prime Minister, General Vasco Goncalves, failed last night, he was to-day casting about for a fifth provisional government in consultation with the Communist Party leader Dr. Alvaro Cunhal, the Communist-dominated MDP-CDE, and a number of independent Leftist technocrats.

However, such is the state of confusion within the Armed Forces Movement that extreme Leftists are quietly prophesying that their brand of total revolution and an ensuing dictatorship of the proletariat stands an historic and unique chance of winning through.

It appears to make little difference whether or not General Goncalves remains for long as premier since the AFM has decided to govern without the consent of the two major parties, Socialists and Popular Democrats, and in tandem with independent or frankly Communist-sympathising technocrats.

The only group which continues to have the ear of a majority of armed forces officers and possesses a formulated long-term policy, however, is the extreme non-Communist Left. Where the Communist Party has earned the odium of many officers, the extreme Left attracts them, as was manifestly evident in the "direct democracy" plan published last week.

Editorial comment, Page 16
Other developments, Page 6

Whatever the confused nature of the extreme Left's means of introducing dictatorship of the proletariat, they know how to apply pressure and have consistently gained ground since the April 25 revolution. Moreover, the current climate of anarchy and complete lack of authority or clearheadedness within the AFM undoubtedly works to its advantage.

Last night's demonstration for an end to government by the parties, for dissolution of the constitutent assembly and dictatorship of the proletariat was supported by several hundred soldiers and half a dozen Sherman tanks, which rumbled through Lisbon streets topped with shouting demonstrators until almost midnight.

To-day, the rump of the fourth coalition was lingering on, after the Popular Democrats' withdrawal at 2 a.m. this morning. But a new wave of resignations came from independent Ministers of External Trade and Overseas Territories, from the Secretary of State for the Interior while two Left-wing independents, the Minister for Industry Sr. Joao Cravinho and a Foreign Ministry Secretary of State Sr. Jorge Sampaio, presented the Prime Minister with an ultimatum for their remaining in harness, couched in the form of a "political analysis."

Socialists and Popular Democrats, for their part, are now engaged in mobilising party supporters across the country with a series of political meetings and rallies between now and Monday, mainly in Northern Portugal and the Lisbon area.

The Communist Party,

Continued on Back Page

France will try for new Paris talks on energy

BY REGINALD DALE, COMMON MARKET CORRESPONDENT — BRUSSELS, July 17.

THE EEC summit to-day gave France the green light to arrange a resumption of the stalled Paris talks between energy producers and consumers.

However, the French proposals were mainly procedural, and the Nine heads of government took no firm position on the major issues of substance that led to the breakdown of the initial "preparatory conference" in April.

After a discussion of the economic situation, Mr. Harold Wilson said he expected France, Germany and the Netherlands all to announce new reflationary measures in the next few weeks, which could be of some help in speeding the U.K. economic recovery and stimulating world trade.

But the Prime Minister warned that even if all the Community countries reflated, it would have little effect on the overall situation unless other industrialised countries such as the U.S. and Japan did so too.

Financial aid

Mr. Wilson said mention had been made of President Valéry Giscard d'Estaing's proposal for a monetary summit among the major industrialised countries, but no decision had been taken.

Officials said the French President's view was that five countries should be invited (the U.S., Japan, Germany, France and the U.K.), but the Netherlands and Belgium at least would insist that the European Community should be represented as a unit.

No major policy decisions were taken during the two-day meeting which ended this afternoon, but the heads of government issued a statement expressing their willingness to consider economic and financial aid for Portugal, provided the country was run as a "pluralist democracy."

The summit reaffirmed its faith in the UN, which it described as a "universal and indispensable instrument of worldwide dialogue and co-operation."

The UN statement was given added importance in light of present moves by the Arab countries to oust Israel from the General Assembly.

Mr. Wilson told a Press conference that the feeling in the Community was "very robust against expulsion of any country."

The French proposal for restarting the energy dialogue would involve reconvening the preparatory session in Paris in September, before the meeting of the Organisation of Petroleum Exporting Countries in the second half of the month.

This would be followed by a full ministerial consumer-producer conference towards the end of November which would be preceded by the next EEC summit in Italy in mid-November. A further ministerial consumer-producer conference would be held six months later.

Differences

Mr. Wilson deplored the Community's "tragic" failure to agree on common energy policies but said he could see no early resolution of the Nine's differences.

On raw materials, however, he added that the Nine were working well together and had given a good deal of support to a British suggestion that the Community should submit a joint resolution to the special United Nations session in September.

The Prime Minister said Herr Helmut Schmidt, German Chancellor, had suggested that International Monetary Fund gold should be released to help finance schemes to stabilise the commodities earnings of developing countries.

Herr Schmidt also wanted the oil-producing countries to be given a much greater role in international financial institutions.

Shock defeat for Government

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE OPPOSITION last night inflicted a shock defeat on the Government in the Commons to get VAT cut from 25 per cent. on all television rental agreements in existence on Budget Day.

The defeat, hailed jubilatnly by Tory MPs, will cost the revenue about £90m. in the first full year, benefiting about 10m. people when the change takes effect on August 1.

For the Opposition, it was a major triumph on the last night of debate in the Commons on the Finance Bill, which is now due to go to the Lords, where no further amendment can be made.

As the division figures were announceo, showing that the Opposition had defeated the Government by two votes (108—106) Tory Mpsc called on the Government to state its intentions

It was clear that Liberals had supported the Tories and about half a dozen Labour MPs. in sympathy with the amendment, abstainned.

Mr. Joel Barnett, Treasury Chief Secretary, angrily condemned the "hypocrisy of the Opposition which talks about the need to reduce the public-sector borrowing requirement and is then prepare to increase it by up to £100m. a year."

But Mr. John Nott, for the Opposition, denied Mr. Barnett's criticisms. If the Government had adopted the Tory policy of a uniform 10 per cent. single rate of VAT, more revenue would have flowed to the Treasury than would be gained from the multi-rate approach adopted by the introduction of a further 25 per cent. rate in the April Budget, Mr. Nott claimed.

Government acceptance of the situation brought about by the defeat was signified by a draft Press notice issued shorly after explaining the effects of the amendment now incorporated into the Bill.

The notice made it clear that the reduced VAT to apply from August 1 would apply only if the television set concerned had still been rented by the same customer since April 16.

But between May 1 and July 31 the rate remains at 25 per cent., and no refunds of VAT will be due for that period.

On all rental payments under new rental agreements on or after April 16 whether made before or after August1, the 25 per cent. rate will still be chargeable, even if the set was hired to another customer before April 16.

Fuller information to registered VAT traders concerned will be issued "as soon as possible."

Parliament Page 14

New 'tap' issue almost sold out

BY MARGARET REID

THE CURRENT strength of the gilt-edged market was vividly highlighted yesterday when the latest offer of Government stock — £750m. of 13½ per cent. Treasury Loan 1997 at £94½ — proved a near-sell out, attracting between £650m. and £700m.

So nearly was the issue fully subscribed by investors that it will not be operated as a "tap stock" in the normal way, under which supplies of stock still in official hands are usually on sale subsequently through the Government Broker.

It is very rare for a new gilt-edged stock to be so nearly absorbed by the public when it is offered that too little remains for it to be used as a "tap." The only known precedents are £100m. of a three-year stock in 1962 and a similar amount of a Government-guaranteed Electricity Council loan in 1948, both of which were over-subscribed.

Inflation

The market's present hunger for high-grade fixed-interest stock was further underlined yesterday when applications of £397m. were made for Derby Borough Council's offer of £7m. 13¼ per cent. stock 1982 at £98½.

In their recent enthusiasm to purchase Gilts, buyers have been acting on their feeling that fixed-interest money investments have been made more attractive by the recent anti-inflationary measures aimed at better preserving the value of money and so of their loans to the Government.

Since the Government's pay curb measures, aimed at cutting the inflation rate to 10 per cent. by next summer, were foreshadowed at the beginning of July, gilt-edged stock prices have risen by almost 6 per cent. on average. They now stand 24½ per cent. above their all-time low on January 3 this year, since when interest rates have fallen considerably.

These rises have taken place despite the fact that some £4.75bn. of new Government stock has been issued this year.

Since applications for the new Treasury stock had to be accompanied by payment in full, and as applications for the Derby stock had to be 10 per cent. paid, very large sums of cash, probably exceeding £700m., were put up for the two offers yesterday. This much affected the money market's cash flows.

Lex, Back Page

£ in New York

—	July 16	Previous
Spot	$2.1750-1760	$2.1880-1890
1 month	0.65-0.55 dis	0.65-0.55 dis
3 months	1.78-1.68 dis	1.80-1.70 dis
12 months	7.10-6.90 dis	7.10-7.00 dis

NUM leaders give support to £6 limit

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS' LEADERS yesterday gave the Government's anti-inflation pay policy its biggest boost so far when they came out in favour of the £6 a week limit on pay settlements set out in the White Paper published last week.

In a major tactical victory for National Union of Mineworkers' moderates, the union's executive decided to ballot members who will be recommended to support the policy. Their anticipated approval should mean an extra 260,000 votes backing the White Paper at the TUC annual conference in September.

This fillip for the Government coincided with further support from leaders of 173,000 members of the National Union of Railwaymen who, at their annual conference in Jersey, agreed to settle their next year's pay claim with the £6 ceiling.

As well as removing the miners as a potential focal point for those opposed to the wages policy, the expected NUM ballot result should set the scene for a 2—1 TUC majority in favour of the policy with those opposed, led by the Amalgamated Union of Engineering Workers, the Association of Scientific, Technical and Managerial Staff and possibly some public service unions, mustering only about 2m. to 3m. votes.

Although to all intents and purposes the ballot will commit miners to settle within the £6 maximum when their annual negotiations come up early next year, a yes vote will not preclude Left-wingers from pushing for large rises especially if in the meantime there are big settlements elsewhere or steep upward movements in the cost of living.

Underlined

The 25-man NUM executive yesterday underlined their acceptance of the policy by agreeing £6 a week increases for the union's 65 national and area officials—including all but two of the executive members—who had been seeking 22½ per cent. so as to keep officials in line with the £16 a week increase won by National Coal Board staff in the wake of the miners' 30 per cent. settlement earlier this year.

This gesture, carried at the union's finance committee on Wednesday this week on the casting vote of NUM president Mr. Joe Gormley, was part of the moderates' pay strategy and was pushed through the executive yesterday before the crucial debate on the Government's White Paper.

In what was described by all factions as one of the best NUM executive debates ever, with contributions from all those in attendance, the meeting split 14-10 in favour of the policy and the ballot of members.

A move by Mr. Owen Briscoe, general secretary of the militant Yorkshire miners, for a special recall NUM conference on the White Paper was defeated as was an earlier move by Mr. Sid Vincent, Lancashire miners general secretary, for a reference back on the officials' pay.

The NUM will now have the problem of fitting in the pit-head ballot around annual colliery holidays which fall at this time of year with some already under way and others to follow over the ensuing weeks. Holidays will also make it difficult for the Left-wingers to mount a determined campaign aimed at securing a no vote in the ballot.

However, leading Left-wingers, including Mr. Arthur Scargill and the union's Communist vice-president Mr. Mick McGahey, are certain to attempt such a move.

Following yesterday's executive Mr. McGahey, speaking as president of the Scottish NUM, said he was confident that Scottish miners would vote no in the ballot and hoped that miners nationally would do the same.

Last night Mr. Gormley was confident that the ballot result, which will be counted as usual by the Electoral Reform Society, would be ready by the TUC Congress. The executive was recommending "full support for the Government and TUC in dealing with inflation," he said

Ministers are now anxious not to publish their reserve powers legislation before the TUC and Labour Party conferences in the autumn in order not to damage prospects for the voluntary aspects of their counter-inflation policy. . . Yesterday Mr. Denis Healey, Chancellor of the Exchequer, heard from CBI leaders about their reservations over the policy. . . The Advisory Conciliation and Arbitration Service has decided it should not be expected to jeopardise its independence by being given the responsibility of interpreting or enforcing the £6 limit. . . Some 500 Nottingham engineering workers have gone on strike after rejecting a £6 a week offer—making them one of the first groups of workers to challenge the new limit. . . In the Commons it was revealed that a recent settlement for 9,000 British Leyland bus workers is being reviewed. . . Writing in the Labour Party newspaper Mr. Wilson says the party's programme will be swept away unless inflation is conquered. Details on Back and Pages 13 and 14.

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

LOMBARD

Oil—the depletion rate issue

BY C. GORDON TETHER

THERE IS doubtless a substantial wishful-thinking element in the increasingly fashionable prediction that world economic expansion will soon be getting under way again on such a wide front that much of the industrial world may well be clocking up growth rates of the order of 3 to 5 per cent. per annum by the second half of next year.

What is, however, quite certain is that, even if this only begins to happen, we must expect to see battle being joined before long on the unresolved question of what reserves depletion rates oil-producing countries should be prepared to tolerate to fuel the recovery. And as a country that will soon be capable of producing more oil than it needs for its own purposes, Britain will be in the thick of it—so much so that it is not too early to start asking what attitude she can most appropriately take.

It is now evident that the drive to reduce dependence on the traditional oil-producing countries for energy supplies, which everyone got so excited about immediately after the OPEC cartel first made itself felt in a big way, is going to take much longer to get off the ground than was at first expected.

In particular, it is now admitted that Washington's plan to make the U.S. self-supporting in energy by 1985 is making such heavy weather that the resumption of U.S. economic growth will initially produce a further major upsurge in the country's need for imported fuel.

An obligation

At the moment, the general slow-down in economic activity throughout the world is tending to result in the production of oil out-stripping the demand. So the conservation issue has temporarily dropped out of the picture. But any appreciable rise in the international economic temperature could quickly reverse that situation.

Both Dr. Kissinger and President Ford have repeatedly stressed that the U.S. sees the oil-producing countries as under an obligation to ensure that oil is made available for fuelling world economic activity — frequently hinting moreover, that Washington would take a very serious view of any move to interrupt the flow. And in the sense that America and other consuming countries could hardly be expected to allow their economies to be run into the ground by the severing of fuel life-lines on which they have come to rely, they clearly have right on their side.

Yet that is far from being the end of the matter. The producing countries have their rights too. And one to which some of them have been trying to direct the consuming countries' attention during the past year or two concerns the pace at which their stocks are to be run down to meet the rest of the world's convenience.

In recent years the depletion rate for the OPEC countries as a whole is estimated to have been running close to 4 per cent. Which means that they could be out of business in a matter of 20 to 30 years—sooner than this indeed if the industrialised world enters another fast expansion phase. Would it be reasonable to expect them to go along with that?

In a recent address on "Inflation and Social Justice," Dr. E. F. Schumacher of "Small is Beautiful" fame insisted that it would be anything but reasonable. He argued that to avert a major—and potentially disastrous—show-down on this issue, arrangements should be made to define the "maximum rate of obligatory output of oil." As to figures, he proposed that each OPEC country should be required to sell in any one year up to 2 per cent. of its proven reserves—as ascertained at the beginning of each year—but never required to sell more than that.

The matter is obviously worth thinking about. And not least, as I said at the start, in Britain. For present indications are that it may well be possible to raise the output of the North Sea beyond the level needed to satisfy our own requirements. And we may well have to choose, therefore, between doing that and the alternative policy of conserving those resources so that they last that much longer.

Sacrifice

Naturally, working to a reduced depletion rate may mean having to accept a slower tempo of economic advancement in the affluent world. But that is not an unduly large sacrifice to ask it to make. And, as Dr. Schumacher pointed out, could in any case be very much in its own interest seeing that it may be suicidal for consumers to continue using up oil at the present rate without knowing whether satisfactory alternatives are going to be available when it runs out.

There is the further point that it is hardly fair to ask the oil producers to maintain output far beyond the levels needed to pay for their imports when the proceeds of the excess are having to be held in fast-depreciating Western currencies.

RACING — BY DOMINIC WIGAN

Why Dove may fly past Solar

WITH THE NEWS that the great French filly Allez France may not now be in the King George VI and Queen Elizabeth Diamond line-up after all, owing to what reportedly is a mild stomach upset, bookmakers have been quick to alter their odds on the £100,000 Ascot race.

Grundy, who has always been a clear market leader, hardened in most books to 4-5 yesterday; while Bustino is generally offered at 9-2. Dahlia, bidding for hat-trick in the race after fluent victories over Rheingold (1973) and Highclere, last year, is available at 8-1—a price which seems certain to contract if Allez France, whom she has never beaten, does not make the trip.

Lester Piggott told me yesterday that he will definitely be aboard Dahlia, with whom he has had such a successful association since he finished in the ruck behind her when partnering Roberto in the 1973 King George.

Turning to to-day's busy programme, which is made up of two afternoon cards (Newbury and Liverpool) and two evening fixtures (Newmarket and Hamilton), the most interesting race, to my mind, is the Berkshire course's St. Catherine's stakes (4.00)—an event usually won by a smart juvenile. Here the two who interest me most are *Solar* and *Dove*.

Solar, a well-made half-sister to Walk By, has already won here, having easily disposed of 18 opponents in the five furlongs Ilsley Maiden Stakes just over a month ago. Taking over a furlong out in that event Geoff Baxter's mount had only to be pushed out with hands and heels to defeat the heavily backed favourite, Light Link, by four lengths, with Feux Rouges another three-quarters of a length away in third place.

On her only appearance since that impressive victory, Bill Wightman's filly again ran well, keeping on determinedly in the Champagne Stakes at Salisbury on June 26 to take second place, at two lengths, behind Thieving Demon, whom Richard Hannon considers to be possibly the fastest juvenile he has trained.

Dove, another attractive filly, by Sea Hawk II out of Righteous Girl, opened her account at the second attempt, when comfortably landing the Rectory Stakes at Lingfield three weeks ago. That outing seems sure to have brought on *Dove*—who seemed considerably more backward than most of her rivals—a good deal, and I take her to just get the better of *Solar*.

Two other possible winners for *Dove's* trainer and jockey, Henry Candy and Philip Waldron, are *Amy* and *Index*, who respectively go for the Aldbourne Stakes (2.00) and the Ecchinswell Maiden Stakes half an hour later.

NEWBURY
2.00—Amy***
2.30—Index
3.00—Jeanie Duff
3.30—Rev Counter
4.00—Dove**
4.30—Rosetti

LIVERPOOL
2.15—Celtic Sea
3.15—Rubydar
4.45—Mrs. Child

NEWMARKET
7.00—School Bell
8.00—Dred Scott*
8.30—London Glory
9.00—Skimmer

HAMILTON
7.25—Swiftly
7.55—Mother Brown
8.20—Idle Dice

SALEROOM — BY ANTONY THORNCROFT

Concertina forte: violin muted

SOTHEBY'S achieved what is probably a saleroom record price for a concertina yesterday when £200 was paid for an instrument made in London in 1930. It was part of a musical instrument sale which totalled £96,691.

Prices were generally on target, but there was a disappointment when the main attraction, a violin made by Antonius and Hieronymus Amati at Cremona around 1625—failed to sell and was bought in at £11,000. It is known as the "Ex Milanollo" since it belonged to Maria Milanollo, an Italian violinist who died in 1848 at the age of 16, after playing throughout Europe for 10 years.

A violin made at Cremona in 1694 by Rugeri was bought for £11,000, and another Italian violin, by Goffriller of Venice in 1709, fetched £6,400. A violin by Vuillaume of Paris in 1866 sold for £4,800 and a Gagliano of Naples violin of 1725 made £4,500. A violin, made in Turin in 1831 by Pressenda, was bought for £4,200.

In other sales at Sotheby's £800 was paid for a Stuart tapering tavern mug in pewter, from the reign of William III, and in a silver sale a Queen Anne tankard of 1713 made £700. At Sotheby Parke Bernet in Los Angeles the Gloria Folk Art Collection of the Immaculate Heart College, Los Angeles, was disposed of for £73,972. The top price was the £1,590 given for a German coin operated upright mahogany disc polyphon of the 19th century. A French "jack in the box" of the same period sold for £909.

There were few surprises at Christie's, which sold arms and armour for £54,297 and English furniture for £78,148. Perhaps of most interest is a comparative price: in 1972 Christie's sold a pair of Forsythe pocket pistols, made around 1821, for £1,260. Yesterday the same pistols sold for £2,310, a very fair rise.

Sporting gun

The highest price was the £2,940 given by Jenkinson for an early 17th century German wheel-lock sporting gun. A late 17th century Italian flintlock breech-loading repeating gun, probably made by Berselli, fetched £2,520, and a seven flanged mace, of around 1550, sold for £1,785, the same price as a pair of French early 19th century pistols, made for the Turkish market.

Among the furniture, a pair of George II giltwood side tables went to Partridge for £2,520, and a pair of early George II library armchairs were bought for £2,310. A Carlton House desk realised £1,995 and a Queen Anne walnut bureau £1,522.

Spencers of Reford continued its sale of the contents of Denton Park, Yorkshire, amassing a total of £211,155 for the two days, which ensures that after to-day's completion a new record for a country house sale by Spencers will have been established. The best prices were £7,000 each for a Kashan rug, and for a pair of French 19th century commodes, reputed to have belonged to the House of Teck. Three English gothic panels sold for £5,600.

Although the 1974-75 saleroom reason is almost over, Christie's is holding an interesting Victorian week starting on Monday. The highlights are two paintings by Tissot, as well as two by Millais. There will also be some "photogenic drawings"—images obtained by the direct action of light, and produced in 1836-37. The pictures are mostly of leaves and grasses. The technique was used by Fox Talbot, and these are the first examples on the market for ten years.

TV/Radio

† Indicates programme in black and white.

BBC 1

12.55 p.m. Cynfas. 1.25 News. 1.30 Along the River. 1.45 Show Jumping from Hickstead. 4.23 Regional News (except London). 4.25 Play School. 4.50 Devlin. 5.10 We Are the Champions 1975. 5.40 Sir Prancelot.
5.45 News.
6.00 Nationwide.
6.50 The Disney Adventure.
8.30 The Other Broadway: Dionne Warwicke and Frank Gorshin.
9.00 News.
†9.25 "Saboteur," starring Robert Cummings.
11.10 Apollo/Soyuz.
11.50 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.15 p.m. Bowls: Wales v. Ireland. 6.00-6.50 Wales To-day. 6.50-7.10 Heddiw. 7.10-7.50 Bowls: Wales v. Scotland. 7.50-8.20 Question of Sport.

Scotland—10.00-10.10 a.m. Wacky Races. 10.10-10.35 Bewitched. 10.35-11.00 Vision On. 6.00-6.50 p.m. Reporting Scotland. †11.50 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. †11.50 Northern Ireland News Headlines.

England—6.00-6.50 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
4.00 p.m. Show Jumping from Hickstead.
5.00 Open University.
7.30 Newsday.
7.40 The Pilgrimage of Everyman.
9.00 Ten from the Twenties.
9.50 Sporting Profile: Samurai—the Sumo Wrestlers of Japan.
10.15 The Money Programme.
11.05 News Extra.
11.25 Closedown: Robert Powell reads "Tarantella" by Hilaire Belloc.

LONDON

†10.10 a.m. Bertrand Russell Speaks His Mind. 10.20 Wildlife Theatre. †10.45 "The Smallest Show On Earth," starring Virginia McKenna, Bill Travers and Peter Sellers. 12.05 p.m. Yoga for Health. 12.30 Sally and Jake. 12.40 Pipkins. 1.00 First Report: News, plus FT index. 1.20 Lunch-time To-day. 1.30 Paint Along With Nancy. 2.00 Good Afternoon Money-Go-Round. 2.30 "Port Afrique," starring Pier Angeli. 4.10 Cartoon. 4.20 Follyfoot. 4.50 Magpie. 5.20 University Challenge.
5.50 News from ITN.
6.00 To-day.
6.25 Crossroads.
7.00 Husband of the Year.
7.30 General Hospital.
8.30 The Squirrels.
9.00 The Main Chance.
10.00 News.
10.30 Cinema.
11.00 Police Five.
†11.10 The Friday Film: "You Pay Your Money."
12.40 a.m. Learning to Live.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 2.30 Friday Afternoon Film: "The Beauty Jungle," starring Ian Hendry and Janette Scott. 4.25 Romper Room. 5.20 Follyfoot. 6.00 About Anglia. 10.30 Probe. 11.00 Kung Fu. 11.55 Men Who Matter.

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Anne Nightingale's Round Table. 7.00-12.33 a.m. As Radio 2.

RADIO 2

1,500m and VHF

RADIO 3

464m, Stereo & VHF

RADIO 4

434m, 330m, 285m and VHF

BBC Radio London

206m and 94.9 VHF

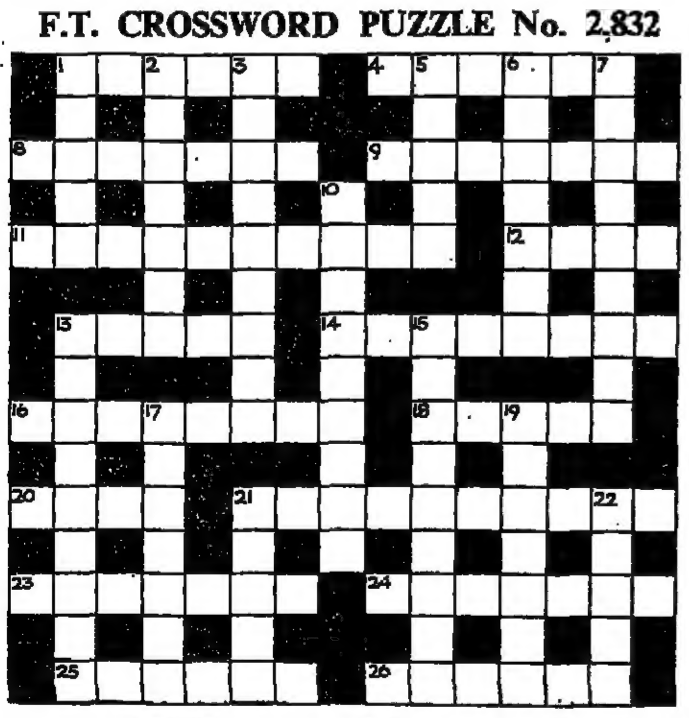
London Broadcasting

261m and 97.3 VHF

Capital Radio

194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 2,832



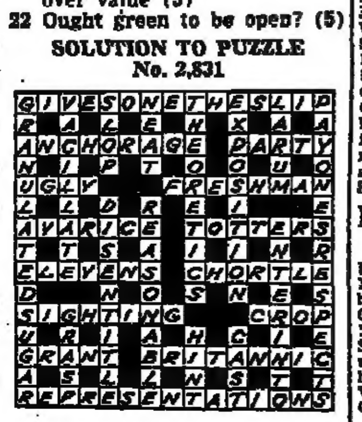
ACROSS

1 Band boy engages (4, 2)
4 Begone to a boast (6)
8 Can't 'e go another way to get connected (7)
9 Trust a harvester (7)
11 Goodness with refreshment is just what I like (2, 3, 2, 3)
12 A recent start to church vault (4)
13 Article about an altered battleground (5)
14 A lot of dollars is being wagered by relative (8)
16 Hooves re-arranged to provide foot protection (8)
18 Complaint sent to parent by afterthought (5)
20 One peculiar plant (4)
21 Tycoon lording it over Fleet Street (5, 5)
23 Dropping sound makes mine an Irishman (3-1-3)
24 Meeting record established in quick time (7)
25 Understand how to draw together (6)
26 Take exception to being posted once more (6)

DOWN

1 Hard way to ring New York (5)
2 A lot on river adopt this hair style (7)
3 Healer who is never bone idle (9)
5 Shakespearean character on the fiddle (5)
6 Rate promoted with railways' assistance (7)
7 10 across with notes sticking to it (9)
10 Surprised it's arranged in orderly time or space sequence (9)
13 Referring to notice in Gateshead (9)
15 Permitted a daughter to attach letter (9)
17 Run into section of fortification (7)
19 First person to take a certain step (7)
21 Chatter with party leader over value (5)
22 Ought green to be open? (5)

SOLUTION TO PUZZLE No. 2,831



Open Air Theatre, Regents Park

A Midsummer Night's Dream

The new and enlarged auditorium of the Open Air Theatre has at last come into service, delayed by the wet winter and mounting costs. Highly impressive it is too, with steeply raked banks of permanent seats (the back must be 60 feet above ground level, at least), weatherproof dark green seats, and geraniums growing beside the aisles. Ominously, there are soakaway drains for wet evenings between the front row and the stage itself, which has also been significantly and attractively landscaped into what are presumably semi-permanent features: delightfully turfed bank, mock Doric columns and architraves, and, in the very centre, a cave or hollow scooped out of stone, with steps leading over on one side and a green slope down the other.

Indeed, tribute must be paid to the architect, Bill Howell, who was killed in an accident last winter, for transforming the scene from one of discomfort, bad sight lines, appalling acoustics and so on, into this Arcadia of comfort and technical efficiency.

The first production, directed by David Conville and designed by Tim Goodchild, works smoothly too, and the standard is a considerable improvement on recent years. I like the use of Greek traditional music and costumes: a rare visual reminder that the *Dream* is actually set in and around Athens, and not in Warwickshire or *gymnastic* limbo. The text is spoken crisply and well, if not always with great subtlety, and the voices are well-modulated and directed for the open air. The lovers, played by Mel Churcher, Adam Bareham, Philip Bowen, and Delia Lindsay, are a lively and well contrasted quartet.

The main departure from convention in what is otherwise a straightforward interpretation is the casting of Trevor Ray as Puck. Mr. Ray plays a very earth-bound fairy, barrel-bellied with obscene growths of goat-like hair protruding from the back of his arms and thighs. The performance is a relaxed and masterly one, and quite outstanding in this production. Also highly effective are Ian Talbot as Bottom and Linda Thorson as an unusually lithe Titania. Among the rude mechanicals Anthony Sharp as Quince shows a gentle and genuine sense of the comedy: indeed, the whole company display in their resculptured surroundings an ease and confidence from which the performance benefited enormously.

GARRY O'CONNOR

Royal College of Music

Albert Herring

The London Festival of Britten continues apace. After *Death in Venice* and *Peter Grimes* at Covent Garden, the Opera School of the Royal College of Music is putting on three performances of *Albert Herring* this week. Britten's comic opera is an excellent choice for students; there are 13 roles to be filled, and the RCM has double cast most of them. There are also 13 players in the chamber orchestra, which is conducted by Richard Austin, and they mostly manage to surmount the hazards of such exposed and difficult writing very capably.

Douglas Craig's production is firmly based on the immutable class structure pertaining at the small town of Loxford in East Suffolk at the turn of the century. It is not merely Lady Billows who requires her inferiors to keep their place. Florence Pike, her housekeeper, also knows her own position in the social scheme: she is willing to be preceded by Mr. Gedge the Vicar and by Mr. Upfold the Mayor, but not by Superintendent Budd. Albert's rebellion is as much against the overbearing influence of Lady Billows as against the possessiveness of his mother.

Gerald Kitching has designed a practical greengrocery, with doors and a doorbell that function properly, and for the central scene of the May Day Feast, a really splendid-looking marquee, swathed in patriotic bunting. The first cast is quite properly dominated by the Lady Billows of Patricia Richards, who sings with great authority, and whose words are splendidly clear. Richard Brabrooke makes a very down-trodden Albert in the first act, but once the rum-laced lemonade is imbibed he cheers up considerably, and both his "Swan Vesta" monologue and the account of his night on the tiles are well phrased and projected.

Sally Present as Florence gives a clever, not over-played characterisation, while George Pearce is a particularly cheerful and hearty Gedge. As Miss Wordsworth, Robina Vallance sings with appropriately sweet and bird-like tone. Her charges, especially the Emmie of Jean Wilkinson, are three of the most amusingly awful children I've ever come across. Susan Smyth-Tyrrell invites no sympathy for her bossy Mrs. Herring, while Susan Cochrane and Patrick Wilkes, as Nancy and Sid, tease poor Albert unmercifully in the first act. Christopher Ross is a sonorous-voiced Budd. The ensemble is excellent, and the threnody therefore makes its full impact.

ELIZABETH FORBES

Cinema

Royal flavour

by NIGEL ANDREWS

Hennessy (AA) — Empire
The Wilby Conspiracy (AA) — London Pavilion, Astoria and *Metropole*
The Little Prince (U) — Plaza Two
Doc Savage (A) — Warner West End One

Hennessy is the film in which Her Majesty the Queen makes her screen debut. Not, as the announcement at the beginning of the film hastens to point out, that she actually participated in the shooting. Rather, she gave her consent for the makers to use newsreel footage of her and other members of the Royal Family for this thriller in which Rod Steiger, playing an Irish explosives expert whose wife and daughter have been shot by a British soldier during a street skirmish in Belfast, decides to take his grievance to the top and assassinate the sovereign herself on the occasion of the *State Opening of Parliament*.

One is thankful for the Queen's appearance. If it were not for the air of actuality that she and her fellow guest stars lend the production—Prince Charles, Princess Anne, Harold Wilson, Edward Heath and the Archbishop of Canterbury being among those also present—the film would seem even sillier than it is. As it is, the *piece de resistance* just about makes it bearable: a packed House of Lords listening to the Queen's speech, Steiger milling among the throng thinly disguised as a plump and balding MP (the dynamite is concealed beneath his waistcoat), and the camera cutting expertly between the fictional characters and the footage of real events. I especially liked the Archbishop of Canterbury's anxious turn of the head, those myopic, saintly-white brows lifted in sudden perturbation, as Steiger rushes toward the royal chair, hand on the detonator wire. All ends safely, of course, for Her Majesty. But it would be spoiling what little suspense the film has to offer to tell you exactly how.

Largely, it is a catalogue of inanity only too typical of recent British forays into the territory of the political thriller. Although the film genuflects frantically in both political directions to avoid giving offence — Steiger's one-man crusade is seen as an equal embarrassment to the IRA and to Scotland Yard's Special Branch—it is finally no less offensive in its triviality than in any flagrant cause-mongering. The characters are uniformly free of any discernible motivation: the plot is a string of coincidences and nick-of-time rescue acts; and it's one of those films in which whenever you look at a dead body it is seen to be breathing with the uninhibited vigour of a marathon runner. Don Sharp directed; Lee Remick, Richard Johnson and Eric Porter also star.

Steven Warner as 'The Little Prince'

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The Wilby Conspiracy, directed by Ralph Nelson, is another thriller with a political background. Nelson made *Soldier Blue*, in which he questioned the heroic reputation of the U.S. cavalry and gave some much-needed vindication to the American Indian. Praiseworthy acts, no doubt, but somewhat slickly and self-congratulatorily carried out. He is no less busy showing what a good liberal he is in his latest film. Michael Caine and Sidney Poitier play two men on the run from the South African police after a brawl in Capetown. Nicol Williamson is the snarling, adenoidal detective who pursues them to Johannesburg and then over the border, ending up with a bullet through the head for his pains and cuing in Caine's laconic closing line to his barrister girlfriend — "Looks like I'm going to need a good lawyer."

There is nothing like cashing in on an audience's ready-made political indignation to give your film some extra fuel. If you make the villains nasty enough — and Williamson's speciality is to dangle electric hair driers over occupied bathtubs — the audience feels justified in condoning any atrocity committed by the hero in return. The result is a free-for-all in which escalating violence takes the place of any lucid development of plot, and the only points of interest left are when, where and by what gory means the baddies will get their comeuppance.

In its favour, *The Wilby Conspiracy* is handsomely photographed (by John Coquillon) and serviceably scripted. Nelson make a good job of the action sequences, and Michael Caine deserves some kind of long-service award for his consistent ability to inject charm and a throwaway, sarcastic wit into roles that would be negligible without them. But the dead hand of liberal chic lies over this film, and no amount of technical accomplishment or surface brio can quite bring it back to life.

*

Lerner and Loewe's musical version of *The Little Prince*, directed by Stanley Donen, is a *disappointment*. Not that one had especially high hopes of the enterprise in the first place. Antoine de Saint-Exupery's illustrated children's story is such a subtle and delicately funny work that it seems peculiarly ill-fitted to survive the cumulative onslaught of music, lyrics and sumptuous colour photography. The first song gets things off to a bad start—"It's a hat!" delivered by platoons of Edwardian ladies who look as if they have strayed from the Ascot number in *My Fair Lady*—and thereafter each song glutinously underlines some point that in the original was wisely and wittily thrown away.

Nor does the casting help. Richard Kiley as the pilot is bland, competent and colourless, while the Little Prince himself, that visitor from another planet who appears beside our aviator hero when he is stranded in the middle of the Sahara Desert—and shares with him the secrets of wisdom he has learned from his encounters with beings on other planets—is played by a curly-headed juvenile unnervingly similar in looks and style to the dreaded child-star Adore in *Day of the Locust*.

What vitality the film has is provided by the supporting roles: Victor Spinetti as a fussy Historian, Clive Revill as a beaky, impatient Businessman, Gene Wilder as the Fox, and—best of all—Bob Fosse as the Snake, sinuously swaying his body and assiduously hissing his sibilants as to the serpentine manner born. Fosse's dance number, "Snake In The Grass," is easily the most distinguished thing in the film, and it's a pity that his choreographic talents were not let loose on some of the other numbers.

*

Doc Savage — The Man of Bronze is another '70s movie tribute to one of the horror comic heroes of the 1930s. As incarnated by blond, clean-limbed Ron Ely, our eponymous hero emerges as a kind of cross between Superman and Tarzan; combining the semi-magical powers of the one with a physique that looks as if it was honed by years of swinging on jungle creepers. How Doc Savage ever strayed into the tepid adventure provided here for his first feature film is a mystery: a cardboard tale of murder and mayhem set in a studio jungle somewhere in South America. The last sequence of the film sets the stage for a sequel; but it will have to be much better than this to spark any interest in the idea of Doc Savage's adventures as a continuing series.

Royal Court

What The Butler Saw

by MICHAEL COVENEY

It is six years since, eighteen months after the author's death, Joe Orton's last play was presented in the West End in a muddled, though star-studded, production. Since then it has become a staple element in the country's repertory theatre diet. It now closes the Court's Orton season and marks the departure of Lindsay Anderson from the English Stage Company. Mr. Anderson leaves in spectacular style, establishing beyond doubt the unique quality of this marvellous farce.

Orton headed his text with a quotation from *The Revenger's Tragedy*: "Surely we are all mad people, and they whom we think are, are not." The tone of the piece is, however, much more than Pirandellian. It strikes at the very centre of our sexual hesitations and fears, explodes them in a gloriously controlled theatrical format of pseudo-Freudian accusations, melodramatic diagnosis, farcical switches of gear and errors of identification. For good measure there are included some of the funniest lines written in the modern theatre. To itemise too many would be, perhaps to remove the pleasure of first-hand discovery; but most will be familiar with the scornful rejection by Dr. Prentice of his wife's flimsy protestation of sexual abstinence—"You were born with your legs apart. They will send you to the grave in a Y-shaped coffin."

The rampaging farcical developments, exquisitely linked in an unstoppable chain, stem from the hilarious efforts of Prentice to conceal a naked girl who has applied for a secretarial job. She stooges, unwillingly, as a patient in the private clinic as Mrs. Prentice relates her adventure in the linen cupboard with a page boy at the Station Hotel. Her fur coat covers only flesh and brown camiknickers. The page himself is on the run for behaving indecently with a party of schoolgirls and in no time at all Sergeant Match is tramping blithely through the door with a report of how an unsuccessful search for the private parts of a stone effigy of Sir Winston Churchill (destroyed in an explosion) has led to an exhumation of the girl's mother's corpse. By this time the proceedings are subject to the increasingly involved observation of Dr. Rance, a sinister government official with an eye for off-beat evidence, an appetite for impulsive theorising and a tendency to express himself in lugubrious hyperbole.

Rance is brilliantly played by Valentine Dyall in the style of an old-fashioned B-movie narrator. His trundling, on-going exegesis of the bizarre events is littered with gleeful cackles of participation as he warms to the material that will fill his next best-seller and further his career as Public Champion of Private Decency.

Mr. Anderson's casting is, without exception, inspirational. Kevin Lloyd and Jane Carr, as the two youngsters who exchange clothes to provide vivid theatrical emblems of a dazzling debate on sexuality, are perfect. They act without a trace of studied vanity or affectation. Betty Marsden must be giving one of the most distinguished performances of a distinguished career, treading the stage as Mrs. Prentice with amazing grace, spouting her lines with inimitable, growling inflections. And Brian Glover as the passive sergeant gives the impression that no revelation or request would be too outrageous for the numb-skulled figure of authority.

Michael Medwin returns to the stage as Dr. Prentice as if he had never left it. Although he cannot reproduce the physical contortions memorably endured by Stanley Baxter six years ago, he plays with charm—and style—a bewildered doctor who got caught up in all this for no worse reason than trying to remove a girl's knickers. In the final orchestrated chaos, he manages with supreme skill that classic farcical moment when the boy is deprived of his gun by the flower stalks remaindered in an earlier scene. To the solemn accompaniment of a chorale, the characters put on their clothes and climb from the clinic to face the world. Out of their closets and on to the streets? Not exactly, but something like that.

Piccadilly

Clarence Darrow

Here for the next few weeks is an opportunity to see one legend impersonating another. Henry Fonda holds the stage for a couple of hours in solitary splendour as the celebrated American lawyer Clarence Darrow looking back upon his life and trials. For some it will be enough merely to be in the presence of the face, that launched a thousand shoot-outs but there is rather more to the evening than that. As the tall man in the grey suit ambles through his recital barely seeming to raise his voice above a quiet even drawl, fist at waistband or pointing an admonitory finger, we painlessly learn a great amount about labour relations, police practice, civil administration and related matters in the Chicago and Los Angeles of the late 19th century.

The text has been skilfully filleted off the bones of Irving Stone's book on Darrow by David W. Rintels to cover the whole span of the great lawyer's career and Fonda handles it throughout in a mood of emotion recollected in tranquillity. He establishes a remarkable sense of intimacy with the audience whom for most of the time he is addressing directly. Here we feel is a man accustomed to pleading who no longer needs to plead. Utterly relaxed Darrow sits in his rocking-chair when talking of his first wife Jesse whom he divorced, moves to his roll top desk to search for a memento of a case and only rarely turns to a witness-stand at the back of the composite setting to cross-examine some imagined witness or lean upon the rail to address the jurors.

If this is all done without histrionics or fist-banging, it is not without some carefully structured climaxes, such as when he became convinced of the guilt of his clients, the MacNamara brothers, and entered a plea of guilty, or at the watershed of his career when he himself stood trial on a charge of bribery. At these moments Mr. Fonda switches to the present tense and momentarily raises the tension. His longest aria of this kind concerns the Negro doctor Isaac Brown whom Darrow defended on a murder charge after he had killed one of a white mob, and his shortest an extract from his closing address on behalf of Leopold and Loeb with which the show inevitably ends. Mr. Fonda proves that virtue need not always be dull, and acquits himself nobly of a difficult task.

ANTHONY CURTIS

Paris Opéra

Ariane et Barbe-bleue

by RONALD CRICHTON

The present summer at the Opéra has reflected the double aim of Rolf Liebermann's régime: new productions with star casts of accepted masterpieces, and the rehabilitation of the French repertory. There has been, by all accounts, a notable *Forza del destino*. Gounod's *Faust*, an old stand-by neglected in recent years, was awarded a new production by the much praised Jorge Lavelli, but owing to a strike was only seen once with sets and costumes. Another new staging has brought back, for the first time since 1952, one of the most admired of French operas, the *Ariane et Barbe-bleue* of Paul Dukas. Covent Garden saw the old Opéra production during the Coronation Season of 1937, with Germaine Lubin as Ariane.

*

The work was not written for the big house but for the Opéra-Comique, where it was first given in 1907, five years after Debussy's *Pelléas*. Both operas have texts by Maeterlinck (*Ariane* was written as an opera, not as a play). Dukas was a friend and colleague of Debussy. Their musical language has a good deal in common, notably the whole-tone scale, yet *Ariane* contrives to a remarkable degree to remain independent. *Pélleas* is a law unto itself, unique as a flowering plant or a stream. *Ariane* is a product of the high French tradition, conceived, planned, carried out with lucidity and conscious architectural skill. Dukas was not an unaccountable natural genius like Debussy, but a very good composer whose wide knowledge and compendious mastery of his craft did not stifle spontaneity or fresh invention.

He was well served by Maeterlinck, a writer now generally undervalued as he was formerly over-rated. Ariane comes to the dreaded Bluebeard as his sixth wife, determined to solve the mystery of her predecessors. She promptly disobeys his orders, unlocks the forbidden door, discovers the former wives alive but abandoned in a dungeon, brings them to the light of day, smothers them with jewels, offers them liberty. But they choose to stay with their oppressor and Ariane, having saved Bluebeard for a second time from the wrath of his peasants, goes sadly on her way. As Dukas said, "Nobody wants to be freed. Freedom is hard because it represents the unknown, and men (and women) will always prefer a familiar slavery . . ." People like Ariane think the world thirsts for liberty when all it really wants is material well-being.

*

Georgette Leblanc, mistress-companion of Maeterlinck, intimated that she had brought to his notice certain well-intended acts of her own as a model for the character of Ariane. Did she also, one wonders, help him to construct a libretto so well designed from the composer's point of view, with an interesting central theme and a succession of theatrical strokes like the gradual discovery of the jewels, the emergence from the depths of the castle of the voices of the discarded wives singing their plaint, the untimely eruption of Bluebeard? The planning allows for symphonic construction as well as theatrical effect. Dukas wrote for the jewel scenes a set of variations. The second act progresses in a single span from groping darkness to healing light. In the third there is sustained musical argument as well as drama.

Grace Bumbry as Ariane

The new production is distinguished by an admirable account of the score from the Opéra orchestra under Gary Bertini. Dukas calls for energy as well as grandeur, for a brilliant surface as well as deep sonority. All these are present, with a tang only found in Debussy at his most exuberant (some pages of the third act of *Ariane* recall "Jeux de vagues" in *La Mer*) but which was to leave its mark on Roussel. The chorus is strong both in the peasants' music (Dukas could put his decisive stamp even on the overworked device of "bouche fermée" singing) and in the chant of the imprisoned wives, sung by the ladies of the chorus in the orchestra pit—once heard, the winding melody haunts the rest of the opera.

Grace Melzia Bumbry is Ariane, tall and imposing, firm of voice, not melting enough except at the end of a few phrases. Though she sounded confident, her eyes rarely left the conductor. Only in one phrase, Ariane's unanswerable retort to Bluebeard's reproof when he finds she has disobeyed him—"Vous aussi?" "Moi surtout!" did she find the complete union of word and musical phrase. As Ariane's faithful old nurse, Irina Arkhipova barely found that union at all. Much of her singing was warm and intense, but the part is low for her. When Francine Arrauzau started to sing as Sélysette, most articulate of the former wives, one realised how insecurely the style was being caught by the visitors. (The wives are named after earlier Maeterlinck heroines; they include Mélisande, duly saluted with a brief quotation from Debussy.)

Jacques Dupont is both designer and producer. His spidery set like a great, shattered greenhouse was gauzily, vaguely atmospheric without enough sense of solid masonry or confinement. The costumes are based on Klimt, giving too much to the fin-de-siècle side of Maeterlinck, too little to the burly Flemish background which is just as important. One does not want realism in the world of *Ariane*, yet a production must sustain its own illusion—one noticed that Ariane directed the curtain line of act one not to the peasants but to Bluebeard, that the light flooding in at the end of the next act came from a reflecting sheet, increasing rather than dissipating the feeling of being shut in, that the fight between Bluebeard and the peasants so feelingly described by the wives and nurse was taking place behind their backs.

*

Though it is less often cited than the previous ones, the third act of *Ariane* is strangely moving. The wives are encouraged by Ariane to wear the clothes and jewels she has unlocked, to reveal and believe in their own beauty—Mélisande is encouraged to let down her hair, a gesture she will repeat at a crucial moment of her later existence. The off-stage fighting between Bluebeard and the peasants is excitingly evoked in orchestra and voices. Bluebeard is brought in, bound and bleeding. The leader of the peasants asks Ariane if she has the means of killing him. With regal condescension he and his fellows are re-assured, thanked, dismissed (at such moments it is hard to feel sympathy for Ariane). She detects a weakening in the other women. The music when they gather round Bluebeard is genuinely, touchingly tender: the whole of the last scene is on a high level.

Ariane herself cuts the cords that bind Bluebeard before making the hopeless gesture of asking the other wives if they will follow her to a freer, fuller existence. Miss Bumbry made her exit with dignity, yet one's sympathy went to Bluebeard, crouched like a wounded beast on the steps, gazing after Ariane with a mixture of astonishment, humiliation and awestruck love. In the past Jacques Mars has seemed (as Golaud in the Glyndebourne *Pelléas*, for instance) a stiff actor. Here he turned his stiffness to advantage, and what little singing the role requires was well done.

*

There is not much wrong with this production that could not be improved. It should remain in the repertory as a frame for the next great French interpreter of the role of Ariane, when she comes, and as an export for festivals abroad. The sombre prelude to act 3 can be heard on HMV ASD 2953, a record which also includes a vigorous performance by Martinon and the French National Radio Orchestra of Dukas's Symphony in C. There is an excellent chapter on Dukas in vol. 4 of the Weidenfeld and Nicolson *Twentieth Century Composers* series —Frederick Goldbeck's *France, Italy and Spain*.

WORLD TRADE NEWS

Spanish payments problem eased but still acute

BY ROGER MATTHEWS

MADRID, July 17.

SPAIN'S TRADE balance showed a slight improvement during May when the rate of import increase slowed down to 2.3 per cent. while exports climbed by 9.9 per cent. above May, 1974.

The figures indicate an increase in the extent to which imports are covered by exports to around 46.4 per cent. which, although a move in the right direction, emphasises again the extent of the balance of payments problem the country faces this year.

The trade deficit in relation to the gross national product is one of the largest of any OECD country.

During the first five months imports have climbed 16.7 above the same period last year, when the oil price increases really began to bite, and marginally higher than the rate of export growth of 15.7 per cent.

The trade deficit for the five months is provisionally estimated at pesetas 220bn. (£1.78bn.), with the individual figure for May put at Pts.44.7bn. (£360m.).

The decline in the rate of imports growth is seen here officially as a reflection of the con*tinuing fall in internal economic* activity.

Probably the most Spain can hope for this year in terms of real growth is 3 per cent. with some pessimists even suggesting between one and two per cent. However, some encouragement has been gained from the slowing up of price increases in some of the country's principie imports, especially in the raw materials sector.

At the same time, export performance shows some signs of reviving but any real improvement is presumably going to have to await clearer evidence that world trade has started to *recover. Few Spanish officials* expect this to happen much before the first quarter of next year, if then.

Japan to ask EEC to ease its textile controls

TOYKO, July 17.

JAPAN WILL ask the EEC to ease its textile import restrictions in talks to be held in Brussels next Tuesday, the Ministry of International Trade and Industry said to-day.

The talks are being held under provisions of the Multilateral Textile Trade Agreement of January, 1973, which aims at terminating bilateral trade restrictions.

The Ministry stated that the EEC nations had imposed stiff import quotas on a wide range of textile items, while Japan had no restrictions on textile imports.

As a result, Japan's imports of textiles from the EEC in 1974 amounted to $400m. while exports to the EEC totalled $160m.

Reuter

Almost half of U.S. 1974/5 arms sales went to Gulf States

WASHINGTON, July 17.

U.S. ARMS sales abroad and to Gulf States in particular, grew in the 12 months of fiscal 1974/75 to June 30 despite assurances by the Administration that such transactions could be expected to taper off, Representative Les Aspin, said to-day.

Total arms sales exceeded $9bn., compared with 1973/74 when the U.S. contracted to sell ships, jet fighters, tanks and a variety of missile systems to 72 nations for an estimated $8.2bn.

Sales to the Gulf area, estimated at $4bn. in 1973/74, had increased to at least $4.4bn. in *the latest period, stated Mr.* Aspin, citing unclassified figures that are not expected to be released by the Department of Defense until August 1.

Mr. Aspin, saying he was making the information immediately available out of concern for the upward trend in the arms sales, pointed out the figures showed that in 1975 the Pentagon had agreed to sell $2.4bn. of weapons to Iran, $1.4bn. to Saudi Arabia, $366m. to Kuwait, $1.6m. to Oman, and $18,000 to Bahrain.

Mr. J. Sisco, under-Secretary of State for Political Affairs, told *a House sub-committee on June* 10, that the large arms sales to the Gulf States were necessary to make them capable of maintaining security in the area following the military withdrawal of Britain "East of Suez."

He also told the House International Relations Sub-committee on Investigations that the sales were being made to meet long-term needs of the Gulf States, and that contracts would be tapering off.

UPI

IN BRIEF

Investment in U.S.

Foreign companies announced 43 new investments in U.S. manufacturing facilities during the second quarter, but they continue to lag behind 1973-74 levels. In the first half of 1975 there were 79 new investments (133 a year earlier). Japan topped April-June announcements (9), followed by West Germany (7), Britain, Netherlands and Canada (6 each).

Israeli diamonds

Israel's diamond polishing industry, which in recent years has been working an increasing proportion of smaller stones, is now falling back on its "staple," melees diamonds of from 40 to 2 stones per carat, which still account for over 80 per cent. of output. Producers have thereby maintained the volume of exports, although the dollar income is lower. *First half 1975 exports at* 1.34m. carats were 7 per cent. higher by quantity but the proceeds of $272.8m. were 6.4 per cent. lower. The added value was unchanged at 19 per cent. ($52.8m.).

Cameras for Japan

The Japanese Market for Photographic, Cinematographic and Audio-Visual Equipment, published by the British Overseas Trade Board, says Japan will have room to accept more low-priced cameras since the local industry concentrates on high and medium-class equipment.

S. Arabia investment

Foreign investment in Saudi Arabia, a CBI 40-page guide for companies considering investment there, deals with industrial policy, investment law, incentive schemes, working conditions, and acquisition of land. Price £3 from 21, Tothill Street, London, S.W.1.

Inter-Alpha

Inter-Alpha banking group has formed Inter-Alpha Asia (Hong Kong), capitalised at U.S.$5m. to finance trade between Hong Kong and Europe. Williams and Glyn's Bank is one of the group.

INTERCONTINENTAL GETS NZ LOAN

By Dai Hayward

WELLINGTON, July 17.

THE New Zealand Government has stepped in with a loan of $150,000 for the Intercontinental Hotel, Auckland, part of the U.S.-based Intercontinental Hotels Corporation. The loan is for working and other expenses, and will be available up to December, 1976. The Government has also guaranteed unsecured loan stock of $ZN5.82m. at December, 1974, as well as an overdraft of $NZ116,278.

The Corporation owns 39 per cent. of the Auckland hotel, Air New Zealand 12 per cent. and the Government's Tourist Hotel Corporation 8 per cent. The Intercontinental Hotels Corporation has the right to subscribe for another $NZ160,000 shares at any time before 1978.

Since Intercontinental Hotels Corporation is a subsidiary of Pan-American Airlines, concern has been expressed in New Zealand that if Iran acquires Pan-American it could take out the share right and obtain a major interest in the New Zealand Intercontinental Hotel.

The Auckland Intercontinental made an operating profit of $NZ300,000 last year but a net loss of $NZ382,000. Accumulated losses since the hotel opened in 1968 are $NZ3.9m.

Malta and China suspend special payments plan

BY OUR OWN CORRESPONDENT

VALETTA, July 17.

MALTA AND China have suspended special arrangements created in 1973 to cover payments for Chinese goods imported by Malta. An official announcement instructs importers to settle directly with Chinese companies on future orders instead of depositing the funds with the Maltese Central Bank.

Under the previous arrangement, introduced in September, 1973, Maltese importers were obliged to sign contracts with the Chinese National Import and Export Corporation and deposit payments for orders with the Central Bank's special account of local expenses under the Economic and Technical Co-operation Agreement.

The funds met expenditure incurred on the creation of Chinese projects which are being financed by China's £17m. loan to Malta.

The announcement gave no details why the payment arrangement was being cancelled. The move cancels a clause in the loan accord which stipulated that China will pay for the erection of development projects with Maltese currency obtained through exports to Malta.

Soviet talks

Malta is unwilling to extend diplomatic immunity to Soviet trade officials in the event of a permanent mission being set up here.

According to authoritative sources, the Malta Government was not against the creation of a permanent trade mission but held that the granting of diplomatic immunity was out of the question. The Soviet delegation, led by Mr. G. S. Bourguche, has now left Malta.

U.S. special steel makers want action against imports

PITTSBURGH, July 17.

NINETEEN SPECIAL steelmakers and the United Steel Workers of America have filed a petition under the escape clause provision of the Trade Act, 1974, with the U.S. International Trade Commission seeking relief from alleged injury by "all special steel imports from all exporting countries."

The companies said imports of more than 65 different special *steel products from over* 25 countries could be affected.

The petition requests a two-part remedy: first, immediate mandatory domestic quotas based upon relative market share of imports on a product-by-product and country-by-country basis over a three-year floating base period.

Secondly, internationally negotiated orderly marketing agreements similar to those already in effect for textiles.

The 19 companies represent 90 per cent. of U.S. special steel production, which includes stainless steel, and account for 1.5 per cent. of the tonnage of domestic shipments of the U.S. steel industry.

AP-DJ

Contracts Abroad

MASCHINENFABRIK RUETI will deliver weaving machinery worth £5.36m. to Tecnoimport, Moscow, said to be the biggest order yet for such equipment from Russia received by a Swiss company.

INVENTA, Zurich, will expand the polyester plant of Ta Shing Chemical Fiber, Taipeh, raising filament capacity by 2,500 tons annually.

Export Contracts

RACAL COMMUNICATIONS reports orders from Poland now total £250,000, many contracts having developed from the Poznan Fair and the 2,000 kms tour of the Polish Baltic coast by a Racal demonstration vehicle.

GEC TELECOMMUNICATIONS is supplying £1.5m.-worth of equipment to expand the 1,500-mile transcontinental microwave radio system between Perth and Adelaide which it supplied and installed for the Australian Post Office in 1970.

Kenya commercial vehicle industry in big switch to local assembly

BY JOHN WORRALL IN NAIROBI

A RASH of vehicle assembly plants has broken out in Kenya. Considerable foreign investment is involved, which demonstrates forcibly that, in spite of economic difficulties, inflationary trends and a deteriorating balance of payments, overseas industry is still not shy about investing in Kenya's future.

In the past year British Leyland, General Motors, and a consortium of Inchcape, Lonrho and other Kenyan franchise holders, have invested nearly K£11m. in putting up three plants to assemble CKD (completely knocked down) commercial vehicles of various types and many nationalities, in heavy, medium and light ranges.

Capacity

Within two years Kenya will have assembly plants operating with a total capacity of about 10,000 vehicles a year, employing nearly 1,000 men. It is hoped to save millions in foreign exchange. One government agreement with all the manufacturers is that they will stimulate local manufacture of components such as tyres, batteries, paint, gaskets, *upholstery, shock absorbers and* flat glass.

Kenya is rapidly becoming an industrialised country in African terms, with a flourishing motor transport system which gains ground as the rail system, tortured by quarrels between the three East African community partner states, Uganda, Tanzania and Kenya, becomes tragically less efficient and reliable.

For years a fine road system has been built up in Kenya to take heavy transport. Some companies operate beyond Kenya into Tanzania, Uganda, Zambia, Sudan and Ethiopia. Trucking is big business.

The market for commercial vehicles is not large, but is growing steadily. In 1973 importers sold 5,392 vehicles of all types, in 1974 6,004 and projections are 6,500 in 1978 and 7,400 in 1980. The market to-day is worth about K£12m.

Some types such as Land-Rover, Bedford and Leyland, have been assembled from SKD (semi-knocked down) form for many years, but most commercial vehicles have been imported. Kenya now hopes to change all that. With a market so small, however, many sceptical eyebrows have been raised at the wisdom of large-scale CKD assembly.

All the manufacturers say, however, that they have closely studied the market and future likely trends, and seem to be willing to go along with it.

First in the field, about a year ago, was British Leyland, which has set up a K£2.8m. company, Leyland (Kenya), which brings in Cooper Motors Corporation Holdings, an all-Kenya company *(the agent for Volkswagen)*. The Kenya Government has a minority holding of 35 per cent. A plant is being built at Thika, just outside Nairobi, to assemble Leyland trucks and buses, Land-Rover, Range Rover, and Volkswagen vehicles, including the popular microbus used extensively in the tourist business. The plant should be ready in about a year.

Second to be set up was a K£3.5m. consortium of Inchcape Mackenzie, Lonrho (Kenya Motor Holdings), the Kenya Government and Kenya's Industrial Development Bank. The company is called Associated Vehicle Assemblers, and a plant, to be erected at Mombasa, will assemble a mixed bag of Datsun, Ford, Mercedes, Mazda, Peugeot, Renault, and Toyota commercial vehicles.

Newcomer

The third newcomer, but the first to show interest in local assembly, was General Motors. It is in a joint K£5m. venture with the Government through the Industrial and Commercial Development Corporation, which holds a 51 per cent. controlling interest. Bedford and Isuzu vehicles will be assembled, in light, medium and heavy ranges, at a Nairobi plant, work on which is to begin soon.

"We are satisfied the market is big enough to take these three plants," Dr. Gikonyo Kiano, Minister for Commerce and Industry, told me in an interview. "In spite of our present problems we are confident the economy will grow, and we hope to export to our neighbours such as the Southern Sudan and Ethiopia."

Dr. Kiano said the Government felt it necessary to rationalise the motor industry. There were difficulties with such a wide variety of vehicles being imported, and it was not always easy to get spares. "Our aim is to stimulate the manufacture of local content, and all three groups have undertaken to run extensive training programmes in new skills and expertise," he explained.

The Government hopes to encourage overseas manufacturers of vehicle components to establish themselves in partnership with Kenya companies, or to license Kenyan companies to manufacture their components in Kenya. The use of indigenous raw materials will be encouraged.

It is obvious that there will be import prohibitions on most commercial vehicles other than in CKD form—one exception possibly being the popular Fiat trucks—but the wide range of vehicles to be assembled will prevent undue dilution of consumer choice, and is not expected to disrupt the established motor trade.

Several major problems will have to be faced by the assemblers in marketing their products, such as inherent consumer prejudice against locally-built vehicles.

Passenger cars have been excluded from the Government assembly programme, at least in the early stages, because economies of scale and the highly competitive nature of this field have tended to keep costs to a relatively lower level. Low-volume production would carry much higher cost penalties.

The groups are not keen to make any projections of future sales. Total output of the three plants will be matched to demand, but considerable capital is involved. It is likely that when the market is satisfied there will be unused plant capacity and export prospects do not look good. The problem then will be how to use the spare capacity.

AMERICAN NEWS

Northrop chairman resigns over foreign payments row

BY GUY DE JONQUIERES

NEW YORK, July 17.

MR. THOMAS JONES, the driving force behind Northrop's growth as an important U.S. defence contractor, has resigned as its chairman after being sharply criticised by an in-house report which allots him much of the blame for the corporate scandals that have rocked the company in recent months.

The report, prepared by Northrop's executive committee after six months of investigation, probably occupies a unique place in the annals of American business. While the air has been thick with embarrassing disclosures about corporate impropriety, Mr. Jones is the first chief executive of a major company to be forced out of office as a result of such revelations.

The Northrop investigation was instituted after the company admitted making unreported corporate contributions to the Nixon re-election campaign in 1972. But as it progressed, its attention focussed increasingly on allegations that Northrop had paid bribes in an effort to promote its arms business in a number of foreign countries.

The report confirms only two instances in which Northrop made improper payments abroad, involving bribes totalling $450,000 intended for two Saudi generals. But it states that on several occasions Mr. Jones "either actively fostered marketing strategies without recognising the potential for raising questions of impropriety, or he refrained from taking the initiative to supervise effectively the activities of other company personnel."

The committee said that it investigated 19 specific questions, but while referring to shortcomings in Northrop's relations with consultants and possible violations of law, inadequate corporate procedures and other improprieties, it remains vague on the details. The committee indicated that the reasons for some of the vagueness may lie with Mr. Jones, whom it censures for "personal failures or errors of judgement" involving a number of overseas payments, though it does not conclude that these payments were in fact illegal.

Mr. Jones who has been chairman since 1963, is also required to resign as president within 18 months. The committee has chosen as acting chairman Mr. Richard Millar, an outside director who is chairman of the executive committee and a consultant to Kuhn Loeb, the investment bank.

Meanwhile Northrop seemed to be running into trouble on another front to-day, when the New York Times reported that a confidential Defence Department study has concluded that the U.S. Navy has underestimated by at least $1.6bn. the long-term cost of building the F-18 fighter.

The Pentagon's findings are certain to complicate the preparation of next year's defence budget and may well threaten the whole future of the F-18 programme. Financing it would require a sizeable increase in the Navy's budget, which is already short of about $2bn. needed to fund a shipbuilding programme over the next five years.

● Mobil Oil, the nation's third largest oil company, pai d$2m. in legitimate contributions to Italian political parties between 1970 and 1973, a Mobil executive told Congress to-day, UPI reports from Washington.

Mr. Everett Checket, executive vice-president of Mobil's international division, said the payments were openly accounted for in company books and Mobil paid Italian taxes on the donations.

The Mobil executive said the pattern of contributions was similar to those of Exxon, to the extent that Italian politicians approached the company for donations. Exxon confirmed on Wednesday it made contributions of at least $46m. from 1963 to 1971.

Canada to cut gas supplies to U.S.

OTTAWA, July 17.

CANADIAN Energy Minister Donald MacDonald said exports of Canadian natural gas to the U.S. will be reduced as part of a programme to alleviate widespread domestic shortages predicted for this winter.

Mr. MacDonald said the natural gas exports, which amounted to 1,000bn. cubic feet last year, would not be totally eliminated, but would be limited to quantities available after Canada's "approved requirements" had been met.

Meanwhile the Canadian Press reported from Washington that a State Department spokesman termed the decision a "very serious matter" and said the department had assurances from Canada that the reduction would be a "matter of full discussion with U.S. authorities."

Canadian natural gas exported to the U.S. accounts for 45 per cent. of Canada's production, but only 4.5 per cent. of total U.S. demand.

AP-DJ

Bigger labour share in GNP

By Victor Mackie

OTTAWA, July 17.

THE LATEST national income figures issued by the Canadian Government show farmers and small business are taking a smaller portion of the Gross National Product, increasingly dominated in recent decades by labour and the corporations.

The latest figures show that in the first quarter the farm share of the total shrunk to 2.2 per cent. from 2.6 per cent. in 1974. Small business share decreased to 5.1 per cent. from 5.3 per cent.

The proportion of GNP going to wage-earners grew to a record 57.1 per cent. from last year's 54.5 per cent. Profits, which reached a near-record 13.1 per cent. of the GNP in 1974, dropped back to about the long-term average of 11.2 per cent. in the first quarter this year.

New York pay freeze looms

BY JAY PALMER

NE WYORK, July 17.

FACED WITH the real possibility of a fresh financial crisis, New York City Mayor Abraham Beame is this morning reported to be considered an immediate *municipal wage freeze as a* visible step towards putting city fiscal affairs in order and restoring shattered investor confidence in the city's direct and indirect borrowings.

Talk of this drastic step, which many argue is of such doubtful legality that it would spark off waves of strikes, follows stern warnings that the city is now once again only a month away from bankruptcy. City bankers have apparently warned the new Municipal Assistance Corporation, the state agency created to *raise badly needed city funds*, that it will be unable to sell more public debt unless the city image improves.

The brainchild of state governor Hugh Carey, the "Big Mac," as the new agency has been nicknamed, was formed late last month to sell three separate $1bn. debt issues to aid the city. Guaranteed by prime city revenues and offering a high tax-free interest rate of over 9 per cent., it was hoped that this record-sized offering could be sold.

However, the first $1bn. issue, placed on the market earlier this month, did not sell well. Best estimates at the moment suggest that at least $50m. of the $1bn. bonds still remain unsold despite the fact that city banks and other financial institutions purchased $700m. worth. With the banks now denying earlier reports that they had promised to buy half of the two forthcoming issues, the prospects for the offerings are not good.

Initial returns from the first offering are now being handed *to the city in the form of a* weekly allowance to cover the continuing gap between revenues and obligations. This morning, the city comptroller of the currency predicted that all existing available funds would be exhausted by the middle of next month. Although the planned dates of the second $1bn. offering had never been publicised, it seems certain that the issue has now been deferred beyond the end of this month.

Trinidad-Romania link

BY DAVID RENWICK

PORT OF SPAIN, July 17.

TRINIDAD and Tobago's increasing relations with the Communist bloc—already begun through co-operation agreements with the Peoples' Republic of China, Cuba and the Soviet Union—has been further enhanced through the conclusion of a long-term economic, industrial and technical agreement with Romania.

Following a visit to Bucharest by Trinidad and Tobago's Prime Minister, Dr. Eric Williams, who is currently on a European tour, it has been agreed that Romania will take part in the energy-based industries shortly to be established in Trinidad, including refinery development, petrochemicals, fertilisers, caustic *soda and similar products*.

Romania will also co-operate in the possible setting up of a tractor assembly plant in Trinidad as well as a plant for making pre-stressed concrete pipes, and will assist Trinidad with its Institute of Petroleum, shortly to be established.

Romanian specialists will visit Trinidad before the end of the year to investigate the problem of a decline in on-shore oil production and to suggest remedies.

URUGUAY CLOSES SOVIET INSTITUTE

MONTEVIDEO, July 17.

PRESIDENT Juan Maria *Bordaberry to-day dissolved the* Uruguayan-Soviet cultural institute here, closing its offices and confiscating its property.

A decree signed by the President and the Interior and Defence Ministers alleged that the institute had clearly intended to serve as an instrument of Marxist organisations banned when Parliament and political parties were dissolved in June, 1973.

Reuter

U.S.-SOVIET RIVALRY AT SEA

The Powers fill a vacuum

BY MALCOLM RUTHERFORD

BERBERA is a small port in Somalia overlooking the Gulf of Aden and the entrance to the Red Sea. In the old days, when the Indian Ocean was dominated by Britain, there were strategic maps of the area on which it did not even appear. Diego Garcia is an island in the middle of the Ocean about 1,000 miles *south of the southern tip of* India. It appeared on the maps presumably because it was British, but, as with Berbera, its strategic importance was only potential.

Now Berbera and Diego Garcia have become key points in the build-up of Soviet and U.S. Indian Ocean facilities respectively.

The Soviet interest in Berbera is not new. It goes back to the early 1960s when the Russians first signed an agreement on the construction of port facilities. But it has come into the news because last month the U.S. Secretary of Defence, Dr. James Schlesinger, released information about it, including pictures.

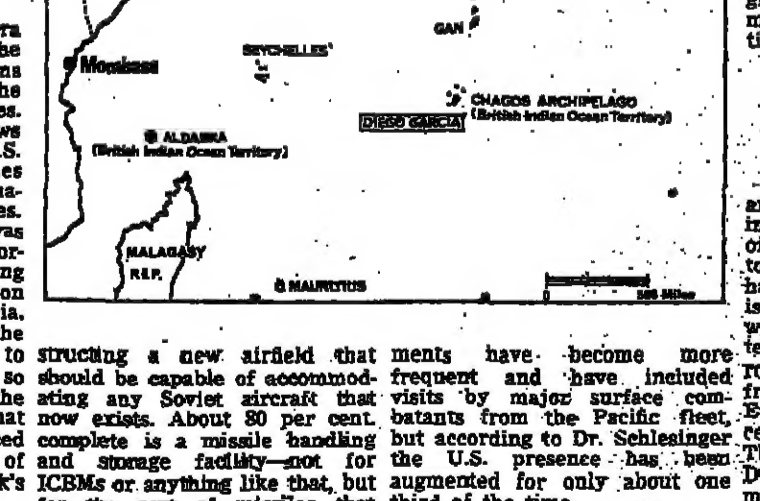
Dr. Schlesinger's purpose was quite simple. He gave the information because he was seeking funds for the further expansion of U.S. facilities in Diego Garcia, and he used the evidence of the Soviet build-up in Berbera to make his case. The pictures so impressed Mr. Roy Mason, the British Defence Secretary, that he had them bound and placed in the library of the House of Commons before last week's Navy debate.

Naval support complex

They may also have impressed the Government of Somalia, which reacted by categorically denying the existence of any foreign bases on its territory and inviting outside observers to come in and have a look. Western journalists have since been to Berbera only to find they were refused access to the crucial areas. So have U.S. senators who found the evidence of the Soviet presence so obvious that they concluded they had been invited because the Somali Government itself was beginning to be worried. It is entirely possible that the Somali President, Mr. Siad Barr, knew nothing about the extent of Soviet activities until the Schlesinger photographs were released.

President, Mr. Siad Barre, knew nothing about the extent of Soviet activities until the Schlesinger photographs were released.

What the pictures show is an extensive naval support complex which is still being expanded. According to Dr. Schlesinger, the port capacity has reached 2,300 short tons a day. There are Soviet repair ships, housing facilities for more than 1,200 people, and an increasing oil storage capacity. There is a high frequency communications facility and the Russians are constructing a new airfield that should be capable of accommodating any Soviet aircraft that now exists. About 80 per cent. complete is a missile handling and storage facility—not for ICBMs or anything like that, but for the sort of missiles that would be carried by Soviet ships operating in the Indian Ocean.



Soviet naval deployments in the ocean began in 1968, the year the British announced their intention of withdrawing. It seems to have been a carefully planned development, closely linked to the expansion of the Berbera base. Soviet global naval power has now been displayed in two major exercises—Okean 1970 and Okean 1975. One of the differences between the two was that by 1975 the Russians were able to include aerial surveillance of the Indian Ocean. Some of the aircraft were operating from Somalia.

Just before the reopening of the Suez Canal last month, U.S. estimates put the Soviet regular presence in the Ocean at 19 ships. It does not seem fanciful to suggest that this will now go up since the use of the Canal reduces the sailing time from the Black Sea to the Arabian Sea by 24 days. At the very least, it will increase Soviet flexibility in facilitating the transfer of units between the eastern and the western fleets.

The Americans themselves, however, have not been inactive. There has been a samll U.S. presence in the Indian Ocean since the late 1940s at a level described by Dr. Schlesinger as "prudent." It consisted of a flagship based at Bahrein and two destroyers on rotation from the U.S. Since 1973, the deployments have become more frequent and have included visits by major surface combatants from the Pacific fleet, but according to Dr. Schlesinger the U.S. presence has been augmented for only about one third of the time.

The Americans also took precautions which would allow them to fill any vacuum left by the British. Thus in 1966 there was an exchange of Notes between the British and U.S. Governments "concerning the availability for defence purposes of the British Indian Ocean Territory." The Territory includes Diego Garcia, and the agreement runs for an initial period of 50 years. It enables the Americans to go ahead with defence facilities, provided they are first agreed with the British. There are, in fact, regular Anglo-American consultations on the Indian Ocean twice a year.

In 1972, the U.S. secured British approval for the construction of a limited communications facility in Diego Garcia. It could be seen as an insurance policy, keeping the U.S. in line with potential Soviet developments in Berbera. But it soon became apparent that the Russians were moving somewhat faster and more ambitiously in Berbera than had been foreseen. Consequently the Americans came back to the British seeking a new agreement to replace that of 1973 and allowing for an expanded facility. The agreement was reached at the end of last year, and it was for this expansion that Dr. Schlesinger was seeking funds when he released the information about Berbera.

The U.S. objective is to provide secure access to logistic support for U.S. naval forces operating in the Indian Ocean much the same as the Soviet objective in Berbera. The plans include the lengthening of the runway to take large cargo and high-performance tactical aircraft, an increase in fuel storage capacity, the dredging of an anchorage for a carrier task group, the provision of aircraft maintenance facilities and additional quarters.

Sea-borne oil in transit

Dr. Schlesinger has backed his arguments with figures about the importance of the Indian Ocean oil routes of the kind which used to be used by the British. About half of the world's sea-borne oil is said to be in transit on these waters at any given time. A quarter of U.S. petroleum and petroleum product imports come from the Gulf, and for Western Europe the figures are 65 per cent. and more than 70 per cent.

The alternative to expanding Diego Garcia, he says, would be more U.S. naval tankers and other mobile logistics elements. On the fuel storage question alone, the alternative is a chain of tankers stretching 4,000 miles from the Philippines, whereas the proposed expansion at Diego Garcia would allow a carrier task group to operate for 30 days independently of other sources.

The funds sought are not large. Dr. Schlesinger puts them at just over $100m., or about the cost of a single navy oiler, and there is little doubt that he will get them. It is a classic case of great Powers moving into a vacuum and transferring competition to new areas. There have been suggestions of turning the Indian Ocean into a zone of peace or even of naval arms limitation talks, but they have not got very far. It seems more likely that super-Power rivalry in the area will continue to grow, and it would not be surprising to hear of the renewed importance of some of the old British staging ways to the Indian Ocean: Aden, Singapore, Fremantle or even Simonstown.

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OVERSEAS NEWS

Calm Israeli reaction to UN expulsion threat

BY L. DANIEL

JERUSALEM, July 17.

OFFICIAL JERUSALEM continues to play it almost unnaturally cool in face of the decision by the 40 Arab countries assembled in Jeddah to try to oust Israel from the United Nations and the Egyptian declarations that they will permit the continued presence of the UN emergency force only "under the right conditions."

The last is interpreted by observers here as meaning very rapid progress towards another interim agreement of a kind satisfactory to Egypt or possibly an attempt to wring from Israel a commitment and eventual total withdrawal from Sinai.

But officials here still appear to be of the opinion that basically Egypt as of now wants an agreement rather than another round of fighting and that the latest declarations emanating from Cairo should therefore be regarded as a ploy aimed at obtaining the best possible conditions.

The low profile being adopted by Jerusalem is reflected inter alia by the fact that Ambassador Dinitz is meeting Dr. Kissinger to-day with the latest Israeli map and proposal as though nothing had happened in the last 48 hours.

Israel reluctantly came round to accepting U.S. undertakings of assistance as a meagre second best to an Egyptian declaration of non-belligerency in exchange for vital areas in Sinai. But if there is no UNEF, if the Arab countries should succeed in pushing through sanctions on Israel, non-recognition of the credentials of a UN delegation or her suspension from the General Assembly, then the very premise on which the agreement was to have been made are no longer valid.

Already to-day UN officers returning to Damascus reported that they were being treated with a good deal less courtesy and in some cases scorn, indicating that Syria apparently intends to follow in Egypt's footsteps by not renewing the UNDOF mandate on the Golan Heights or even asking for its withdrawal before its term expires in November.

edpdeetaoin shrdlu etaoin nunui

A great deal will now depend on the line to be adopted by the U.S. which has staked so much on the success of the current round of talks.

And if it was difficult before for Premier Rabin to "sell" withdrawal from Abu Rudeis and most, if not all, of the Sinai passes to the Israeli public for far less than the formal declaration of non-belligerency which Israel sought originally his task has been made that much more difficult by the latest indications that Egypt does not intend to stick to undertakings it gave in the original separation of forces agreement which was built on the presence of the UNEF.

Reuter reports from Brussels: The Common Market to-day joined ranks with the U.S. in opposing an Arab initiative to have Israel suspended from the UN General Assembly.

In a declaration adopted here, a summit meeting of EEC leaders warned that violations of the rights of member states of the world body "would prevent the United Nations from playing their allotted role."

The statement does not mention Israel by name, but its thrust although muted, is along the lines of the speech given by Dr. Kissinger in Milwaukee earlier this week.

The summit decided to include the declaration in a paper on the forthcoming special session of the UN General Assembly in September.

UPI reports from Damascus: Syria to-day protested a resolution by the European Parliament condemning Palestinian guerilla attacks inside Israel, government sources said. The sources said that foreign ministry undersecretary Abdelghani Rafei delivered the protest to Italian ambassador Maurizio Busse, whose country is presiding over the European Parliament's present session.

Palestinians to hold talks in Peking

By Ihsan Hijazi

BEIRUT, July 17.

A HIGH-RANKING delegation representing the main Palestinian commando group, Al Fatah, is due in Peking to-day for talks with Communist Chinese leaders and will later also visit Saigon and North Korea.

The delegation, led by Mr. Khalil Al Wazir, believed to be Fatah's second-in-command, left from Damascus last night. It includes Mr. Mani Al Hassan, a close adviser to guerilla leader Yassir Arafat.

The significance of the visit was emphasised in an article in the Leftist daily newspaper As Safir here by Mr. Al Hassan himself, who expected the projected talks to elevate Palestinian-Chinese relations to a new level.

UN chief in Syrian talks

BY IHSAN HIJAZI

BEIRUT, July 17.

SYRIA has been in close consultations with Egypt over the latter's decision not to extend the mandate of UN forces in Sinai beyond July 24, according to informed sources here who have disclosed that General Ensio Siilasvuo, commander of the UN forces in the Middle East, arrived in Damascus last night for talks with Syrian Defense Minister Major General Mustafa Tlas.

His visit was not announced by the Syrian media but the news was confirmed by UN sources. The exact nature of General Siilasvuo's talks was not disclosed, but informed sources said he is there at instructions of UN Secretary General Kurt Waldheim to get assurances that Syria would not follow Egypt's suit in seeking to end UN forces' presence in the Golan Heights.

Syria had already agreed to extend the mandate of the forces in the Heights for six months, until the end of November, and the UN Security Council endorsed the extension.

Observers do not expect Syria to interrupt the extension unless a state of actual war develops between Egypt and Israel after the end of the mandate of the forces in Sinai in a week's time.

Informed sources said that following consultations with Egypt, the Syrian forces as well as Palestinian commandos in Syria and Lebanon have been placed in a state of alert as a precaution. This suggested a similar state has been declared within the Egyptian forces, the sources pointed out.

FNLA deny defeat in Angola

LUANDA, June 17.

ALTHOUGH Luanda was struggling to return to normal, tension remained high after bloody fighting between two rival liberation movements which in one week left some 300 dead and 1,000 injured.

Small arms fire was heard in the suburbs early to-day but it was not known if liberation movement troops were involved. The heavily-armed, Marxist Popular Movement for the Liberation of Angola (MPLA) controlled the capital and access roads. But rumours persisted of a possible counter-attack by the rival, Zaire-based National Front for the Liberation of Angola (FNLA).

The Portuguese high commissioner, General Silva Cardoao, had apparently asked the United Nations to help combat the food shortage by supplying 15 days of food for about 5,000 people.

Dr. Jonas Savimbi, president of a third liberation movement, Unita, which was not involved in the fighting, told reporters in the central Angolan city of Silva Porto yesterday he did not favour any further summit meetings among the factions unless there was a firm intention to enforce decisions.

Dr. Savimbi is generally credited with being the architect of summit meetings held last December—prior to independence talks with Portugal in January—and again last month in Kenya.

In the northern coffee capital of carmona, FNLA deputy secretary-general Daniel Chipenda and his aides led plantation workers in harvesting coffee. The coffee harvest in Angola is in great danger this year because of bad weather, local labour unrest and a shortage of plantation workers. This year's harvest may only be 40 to 50 per cent. of last year's crop of 220,000 tonnes.

Mr. Chipenda also met northern Angola refugees from the fighting in Luanda and promised FNLA help in resettling them.

Several hundred northerners are reported to have been flown by Portuguese air force planes to around Carmona from Luanda. The evacuation of Portuguese refugees from Luanda to Lisbon has also been speeded after more chartered flights were laid on.

In Kinshasa, the FNLA, which is based there, to-day denied reports that a rival Angolan movement had chased its forces out of Luanda during recent fighting there.

In a communiqué quoted by the Zaire news agency AZAP, the FNLA said: "The MPLA has not won the battle it started in Luanda and the FNLA in Luanda is still in control of its main strategic positions."

Reuter

ANC men held for 'recruiting' guerillas

SALISBURY, July 17.

FOUR PROVINCIAL officials of the African National Council (ANC) have been arrested and accused of recruiting guerillas as fears heighten that Rhodesia's guerilla war may escalate. ......

The four unnamed men, all from South-Eastern Victoria province, near the Mozambique border, will appear in court soon, the Ministry of Law and Order announced to-day.

Police are investigating the disappearance of an undisclosed number of African senior school students from areas along the Mozambique border. The students are believed to have crossed into Mozambique.

Late last week, 18 senior students—six of them girls—disappeared from Mutambara mission school on the eastern border and are believed to have entered Mozambique.

The disappearance of students along the eastern border and from schools in the north-east is believed in some quarters here to be part of a recruiting campaign by guerillas outside the country.

Rhodesian whites are becoming increasingly conscious of a new and larger guerilla threat.

Press reports reaching here from outside Rhodesia speak of a new guerilla army of 2,300 formed by Rhodesian blacks. But official sources here believe this to be an exaggeration of the short-term guerilla potential. But Prime Minister Ian Smith and other Cabinet ministers have said that contingency plans have been and are being made to cope with any escalation in the war.

Senior ANC leaders have spent the past two weeks in talks outside the country. The top men, Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole, Mr. Joshua Nkomo and Mr. James Chikerema, are currently in neighbouring Mozambique.

Reuter

A problem defying peaceful solution. Page 16

Malaysian Minister will 'not resign'

By Wong Sulong

KUALA LUMPUR, July 17.

TUN MUSTAPHA, the controversial chief Minister of the oil and timber-rich east Malaysian State of Sabah, to-day squashed all rumours of his impending resignation over a rebellion in his party, and said he would be returning to Sabah to-morrow to confront his challengers, who are believed to be supported by the Malaysian Prime Minister, Tun Abdul Razak.

Speaking on Penang island, 250 miles north of here, he refuted allegations from his opponents that he was trying to get Sabah to secede from Malaysia, describing secession as "madness."

The Sabah chief Minister, who has ruled the State for the past eight years, and whose authoritarian and erratic style of government and personal indulgences have often embarrassed the Federal government, flew into Penang from London this morning on hearing news that several members of his Cabinet had resigned to form a new party, and had demanded his resignation.

Suez Canal back to 1967 dimensions

CAIRO, July 17.

FROM NEXT Sunday the newly-reopened Suez Canal will take ships as big as those that used it before the waterway was closed in 1967, canal officials said to-day.

When the 100-mile canal was reopened on June 5, ships drawing up to 33 feet of water were allowed through. From Sunday vessels of 38 feet draught will be able to pass, the same as in 1967.

Work to deepen and widen the canal is now under way, allowing it to take ships of 40 feet draught by December, the officials said.

The ultimate plan is for ships of 67 feet draught to be able to sail through the canal.

Reuter

OCEAN EXPO

The sea we want to see

BY CHARLES SMITH, FAR EAST EDITOR

THE JAPANESE Government, and until recently the Japanese people, have been highly addicted to putting on international events. They staged the 1964 Olympics in Tokyo with an efficiency and flair which surprised the world (and provided the excuse for equipping Tokyo with a network of overhead motorways rivalling Los Angeles). Expo '70 in Osaka was the most heavily attended and most profitable international exposition ever held, and the 1972 winter Olympics in Sapporo raked in hundreds of millions of dollars for the northern island of Hokkaido. On Saturday, when Ocean Expo 1975 opens in Okinawa behind a security screen of 2,400 policemen imported from the Japanese mainland, Japan will be trying to do for its southernmost island what it previously did for Tokyo, Osaka, and Hokkaido. The question in most people's minds, however, is whether the combination of world-wide recession, political frictions (between Okinawa and the "mainland") and the sheer physical problems of the project may mean that for once the Expo-enthusiasts in Tokyo have bitten off rather more than they can chew.

There is certainly nothing modest about Ocean Expo, or about the problems it has been facing. The project will be the largest specialised international exhibition ever held, with 36 participating foreign government and international organisations and a total investment of $300m. It will also be one of the most behind schedule in the long history of Expos, since the Japanese Government was forced by problems arising from the oil crisis to alter the opening date by four months from the original target of last March. This means that Expo will be opening in the very middle of Okinawa's hottest season with the temperature in the 30s (Centigrade) and a strong possibility of typhoons bearing down on the Japanese Government's prize exhibit, a floating marine "city," manufactured by Mitsubishi Heavy Industries and christened "Aquapolis."

Expo has communication problems as well as climatic ones: the traffic jams on the 55 mile drive from Naha, the capital of Okinawa, would do credit to Tokyo on a busy day, and the prices at on-site hotels (not of course the only places where visitors can stay) are enough to make an expense account businessman gape. I paid Yen1,500 (about £2.45) for a medium sized helping of French onion soup at my hotel. Yet if the whole Expo project labours under obstacles, both man-made and natural, which make it look more than mildly improbable, it could turn out that improbability will be the key to Expo's success. The site on a rocky peninsula above a blue-green coral sea is undeniably beautiful and the Expo itself offers some remarkable exhibits for those prepared to pay the Yen 100,000 or so necessary to make the round trip from Japan.

> NANA, July 17.
>
> CROWN PRINCE Akihito escaped unhurt from a petrol-bomb attack on Okinawa Island to-day. The visit by the Prince and his wife, Princess Michiko, to attend the opening of Ocean Expo has sparked violent protests by extreme left-wing groups who accuse the Imperial family of responsibility for wartime suffering on Okinawa, and of discriminatory rule over the island.
>
> Reuter

A vast Government-built aquarium, including a single tank containing some 20,000 fish, is claimed to be the world's largest. There is a Pacific Ocean Culture Museum featuring exotic sailing craft from Japanese to Solomon Islands (some of them built on the spot by craftsmen brought from the region concerned) which could become a notable permanent feature of the site. The Americans are demonstrating underwater TV, the Russians have a mock-up of a clinic for the artificial insemination of sturgeon, and the British (in a pavilion rented from the Japanese Government at less than the rent of the Commercial Councillor's flat in Tokyo) have some striking if rather commercially-oriented exhibits. The log book of Will Adams, the first Englishman to set foot in Japan (in 1601), is displayed alongside the revolutionary BP-Vickers oil-slick-clearing machine and what are claimed to be the world's first powered surfing boards.

Foreign Governments have done well at Expo, although the Australian pavilion at one time was in danger of being strike-bound by its stewardesses. But, as at Expo 70, it is the big Japanese industrial and commercial conglomerates which have spent the most money, and which will probably get the biggest share of attention. The WOS group (a recently formed partnership of 40 Japanese companies interested in ocean development) has a concrete whale, twice life size, which spouts at one hour intervals, and features a ghost-train type ride past submerged wrecks, coral reefs, and fights between giant underwater creatures. The Fuyo group has gone overboard for the "science" of bionics which involves the use of electronics and computer techniques to produce life-like underwater creatures. Finally, as with Expo 70, there is plenty in the way of novel forms of transport. Visitors can travel to the site by hovercraft (one hour from Naha, but Yen3,000 each way). Once inside they can use bicycles or ride on a computer operated vehicle system (CVS) with unmanned cars that stop and start (and overtake each other) at the bidding of a central control room.

Expo will be fun for those who go there and may just conceivably add something to popular understanding of the problems of ocean developments. Its theme is "the kind of sea we should like to see." The fact that not very many people are likely to go (probably only about a tenth of the number that visited Expo 70) may be a point in the exhibition's favour, since Expo 70 was said to be grossly overcrowded. What remains in doubt is how well Ocean Expo will serve its primary purpose, which is to close the economic gap between the mainland Japanese and the relatively backward and discontented Okinawans. Okinawa had per capita income only 70 per cent. of that of mainland Japan when it reverted to Japanese sovereignty in 1972 after 27 years of American administration. Its economy was, and is, heavily dependent on the U.S. military presence, and its people have never forgotten that two-thirds of the Japanese civilians who perished in the final stages of the second World War were Okinawans.

There is resentment, too, against the way in which Expo was imported lock, stock and barrel from the mainland, rather than being an indigenous project. All but 20 per cent. of the construction work on the site was done by "mainland" construction companies, although Okinawan companies were encouraged to enter construction joint ventures on a minority basis. The men who were spreading imported sand on the normally rather muddy beaches of the Expo site this week were mainlanders, not Okinawans, because, it was said, the Okinawans "do not know how to work the machines."

The answer to Okinawa's grumbles about Expo is probably that nothing the Japanese Government could have done would have made up for the grievances of the past. Okinawa does not want Japanese-style economic development, complete with pollution and the wholesale destruction of its natural environment. It may not particularly want to become the "Côte d'Azur" of the Orient—with 2m. Japanese and foreign visitors a year, which is the destiny apparently marked out for the island by the men who thought up Ocean Expo. But Okinawa needs help from "mainland" Japan and, with total spending on Expo amounting to something like twice the normal prefectural budget, it is certainly getting it. Once the crowds start thronging the Expo boulevards, the Okinawans may start to feel there is something in it for them after all

EUROPEAN NEWS

EEC says aid to Portugal conditional on 'democracy'

BY ROBIN REEVES BRUSSELS, July 17.

EUROPEAN HEADS of Government reaffirmed at their Council here to-day the EEC's willingness to discuss "closer economic and financial co-operation" with Portugal but made clear that aid would be granted only on condition that the country establishes a "pluralist democracy."

Events during the past 24 hours in Lisbon undoubtedly strengthened the hand of the French President. M. Valery Giscard d'Estaing, who had argued against giving aid to Portugal.

In discussions to-day both he and the West Chancellor, Herr Helmut Schmidt, pressed hard for a blunt resolution stating that aid would not be given to a "dictatorship." In addition, it was reliably reported, Dr. Mario Soares, the Portuguese Socialist leader, had telephoned several European leaders and the Brussels Commission yesterday urging them to use the opportunity to exert their influence on events in Portugal.

The outcome was that the Council finally agreed to "point out that the European Community—in accordance with its European policy—can only support a pluralist democracy."

Thus, the EEC remains willing to go ahead with its planned meeting in Brussels next week with Major Melo Antunes, the Portuguese Foreign Minister. But it is recognised he may consider such a meeting not worthwhile when he bears the Community's condition for aid. He flew to Rome to-day to discuss the question to-morrow with the current President of the Council of Ministers, Signor Mariano Rumor, the Italian Foreign Minister.

Mr. Harold Wilson, the British Prime Minister, stated explicitly in his Press conference that as far as aid for Portugal was concerned, "unless it elected a pluralist democracy, and that means one based on parties, then no dice."

That said, British officials are stressing that there is ample time to see how events develop in Lisbon since any Community money, with the best will in the world, will not start to be channelled to Portugal before next year at the earliest.

The amount of Community aid at stake, as proposed by the European Commission, though not yet blessed by the member states, is 700m. units of account (roughly £300m.), of which 400m. u.a. would be made available next year, 200m. u.a. in 1977 and 100m. the year after.

Industry lists rescue demands

BY JANE BERGEROL LISBON, July 17.

PORTUGAL'S Confederation of Industry has handed "provisional" demands to the Supreme Revolutionary Council for "immediate very short-term action" to save private industry from bankruptcy.

In an outspoken and militant document, produced after three days of debate in a first post-revolution industrial congress, businessmen affirm their "inalienable right to be considered part of the Portuguese people, workers, and not second-class citizens" and make a desperate plea for guidelines on private industry's role.

Their demands are made in a country without a Government, swaying towards extreme Left-wing people's power. The Secretary of State for Industry, Sr. Joao Martins Pereira, resigned from the Government two days ago on the grounds he could not carry out his brief in the current chaotic situation. Also, the Minister for Industry, Sr. Joao Cravinho, has presented a list of demands to the Supreme Revolutionary Council, enveloped in a political analysis, which if ignored might lead to refusal of his reappointment to the subsequent fifth provisional Government. Both men are highly respected and brilliant Left-wing independent technocrats.

Meanwhile, Armed Forces Movement sources close to the economic policy unit let it be known the Supreme Revolutionary Council is preparing to nationalise the country's textile industry—a move likely to cause an uproar in northern Portugal, where the textile industry employs around 250,000 people, mainly in small private firms employing under 50 people.

A heavy pile of documents relating the problems of every sector of Portuguese industry—with breakdowns of the industries' structure showing overwhelming predominance of medium and small business—is now on the Supreme Council's table. The poor record of government aid comes in for severe criticism. So does the virtual cut-off in bank credit since nationalisation of the banking system in March and effective priority on available credits for nationalised and State-controlled companies.

Also increasingly serious is the discriminatory taxation on imports, imposed some weeks ago, pushing import duties up by 20-30 per cent. on a wide range of semi-finished industrial goods, particularly used by the ailing textile industry. "The list of goods must be urgently revised with guidance from business," CIP recommends.

The most disturbing of the statistics produced to prove the state of crisis is the overall average drop in sales since the same period in 1974: the CIP estimates sales by private enterprise have fallen on a national average by 50 per cent. in value terms.

The CIP's requests fall upon largely deaf ears while Portugal struggles in a crucial phase of its political crisis—likely to last weeks if not months more. Meanwhile, more technicians are leaving the country. Iran has sent a team to recruit 700 Portuguese technicians for contracts in Tehran and many are reported signing up.

'Terrorists,' Basques held

BY ROGER MATTHEWS MADRID, July 17.

AN EXTREME Left-wing group has been officially accused of the murder of a Madrid policeman late on Monday night. He was machine-gunned to death while on duty outside the technical centre of Spain's national airline, Iberia.

The city's police chief said late yesterday that several arrests had been made and that the killing was the work of the Revolutionary Anti-Fascist Patriotic Front, FRAP.

FRAP is probably the most violent of the extreme Left-wing non-regionalist political groups in Spain, and there it is understood to be considerable police anxiety that further such attacks may be imminent.

Reuter reports from Bilbao: Police to-day announced the detention of another 22 Basques for alleged nationalist guerilla activities, raising to 52 the number named this week.

All are being held under the three-month-old state of emergency giving police widespread search and arrest powers in a bid to destroy the outlawed ETA guerilla movement.

Inflation rate slows

BY OUR OWN CORRESPONDENT MADRID, July 17.

THE RATE of inflation in Spain is continuing to slow, according to the latest figures from the National Institute of Statistics. Last month the cost of living index provisionally showed a rise of only 0.27 per cent. compared with 0.44 per cent. in the corresponding month in 1974.

For the first half of this year inflation has been running at an annual rate of 12.84 per cent. compared with 14.36 per cent. last year and thus gives the Ministry of Finance some hope of fulfilling its aim of cutting the increase during 1975 by four points.

Price increases have traditionally tended to become more pronounced during the second half of the year, although 1974's final figure of 17.8 per cent. obviously also strongly reflected the rise in the cost of imported oil, the effect of which should now have almost completely worked through.

Much will depend during the second half of the year on the success the Government has in holding to its ceiling for wage increases, which are now limited to the cost of living during the previous 12 months plus 3 per cent. in exceptional circumstances.

Bundesbank raises bank liquidity by DM1.5bn

By Jonathan Carr

BONN, July 17.

IN ITS last meeting before the summer recess, the Bundesbank to-day decided to increase bank liquidity by about DM1.5bn. The decision is aimed at ensuring the smooth functioning of the bond market in view of the continuing enormous borrowing requirement of the federal Government and local authorities.

While the decision was expected, the method was something of a surprise. It had been rumoured in banking circles that a further drop in discount and Lombard rates was in the offing: the former was cut to 4.5 per cent. and the latter to 5.5 per cent. on May 23.

However, the Central Bank chose to act once more on the minimum reserve requirement for the credit institutions. A fortnight ago it announced a 10 per cent. cut in this requirement for both foreign and domestic liabilities—a measure that increased bank liquidity by more than DM4bn. To-day it decided to drop the requirement for foreign liabilities to the level demanded for domestic liabilities from August 1. The level is 13.55 per cent. for site deposits, 9.35 per cent. for time deposits and 6.25 per cent. for savings.

Two points in particular are being made on the discount rate. First, the Bundesbank has comparatively little scope left for a further drop. The rate has plunged five times since last October and now lies at the bottom end of the international scale. A further sinking might lead to undesirable outflows to the U.S.

Further, the Bundesbank had repeatedly dropped discount and Lombard rates to help provide for the birth of an economic upswing. However, other conditions necessary to economic revival have been lacking—notably a recovery in export business.

SMALL TRADESMEN IN EAST EUROPE

The wind turns chilly

BY PAUL NEUBURG

THE BEST cooked restaurant food in socialist Poland is to be had in privately run establishments, whose share has grown to over a third of the country's eating places since Mr. Gierek took over in December, 1970. The handsomest shoes and the most elegant clothes in Budapest grace the windows of the small but expensive private boutiques of Vaci Utca, and three fifths of all car repairs, plumbing jobs and similar work is done for Hungarians by private tradesmen.

The choicest fruit they eat is sold by private greengrocers. Polish petrol stations, after years of making a loss and offering the population a deplorable service between 8 a.m. and 4 p.m. only, were turned over to private operators under the country's agency system. They now keep open for as long as their customers want them, do repairs as well as selling petrol, and make a profit.

Where private enterprise of this kind has been allowed to survive under socialism, or to come back to life in recent years, it offers quality goods as well as services which state-run firms and co-operatives are too unwieldy to provide, and the lack of which makes life in other Communist countries so much harder to live. It also brings some small private tradesmen incomes beyond the pay of ministers.

Of Hungary's privateers 6.7 per cent. admit to earning forint 100,000-200,000 a year (between three and six times the national average). But now this flourishing growth of pragmatism is in danger. It is threatened by three factors, one political, one financial, and one merely of age. The young appear to have little enthusiasm for becoming private craftsmen and traders. Grown up under socialism and used to letting others take responsibility and to doing only the required amount of work in secure jobs, few wish to opt for the uncertainties and the 13-14 hour working day of private tradesmen. Hungary's 3,169 private shoemakers have only six apprentices; 1,192 private plumbers are training no more than 32 boys to replace them; and large numbers of private tradesmen of all sorts are well past normal retirement age. The situation is the worst in working class areas and in the countryside, where state-run services are also the poorest.

> Success depends to a great extent on the treatment which small private trade receives from the *Government, and here the outlook is not rosy.*

In an attempt to remedy the situation, the Hungarian Small Traders' Federation is starting a grant system of its own for apprentices, to complement the "social scholarships" they have been getting since 1972. From September 1, apprentices working for a range of private small tradesmen from plumbers and shoemakers to opticians, bakers, and furriers, will get grants equal to just under a tenth of the average Hungarian's monthly pay, with a somewhat larger grant to compensate the masters who train them for their troubles.

If the scheme succeeds, it will be extended to a number of trades beyond the ten now being helped. Success, however, depends to a great extent on the treatment which small private trade in general receives from the Government, and here the outlook is not rosy. Apart from being an ideological anomaly, and thus open to attack at any time, small private traders in East Europe now forms the only remaining group whose conspicuous earnings and consumption can make them a scapegoat at times of rising economic or political tension. These tensions are likely to rise as East European countries feel the effects of Western inflation and of huge price increases for Comecon's own raw materials. The special property tax imposed in Poland at the beginning of the year on certain types of wealth amassed in the past 20 years not only had as its main target the small entrepreneurial class, but was also seen in good measure as a move to please the workers at a time when the rise in their standards of living would begin seriously to slow down.

In Hungary, the earnings of the *maszek* (a jocular but now generally accepted abbreviation for *magán szektor*—private sector) have been a favourite target especially of the trade union Press as one of the "petit-bourgeois deformations" produced by the economic reforms of 1968.

The media image of the *maszek*, his earnings, his ways of spending money and the consumerism to which he caters, as often as not places him in the shadowy area inhabited by high-living and at times fraudulent managers, corrupt officials, and their ilk. This in spite of the fact that official figures show that about half the country's small private tradesmen earned roughly the national average pay last year, and another 28 per cent. came between that figure and the pragmatic people at the his early thirties. Builders and repairmen, indispensable to the population, do best within the group.

Ever since Hungary began in 1972 to try to appease and compensate its workers over the anti-egalitarian effect which the 1968 economic reform had had on incomes, *maszek* earnings have been among the prime targets of the tax and other measures introduced. The latest of these, brought in on July 1 forbids private tradesmen to accept payments of over forint 1,000 (about £20 at the tourist rate) from any state firms or co-operatives, except through the so called "tax-collectives" to which they all belong. Formed by ministerial decree in 1972, these consist of committees of small private tradesmen and outside representatives, called on to assess the truth of the tax returns which private tradesmen make. In these assessments, personal friendships and enmities can have as large a share as the genuine knowledge people have of each other's earnings.

The kind of effect the collectives are known to have is shown by official spokesmen now voicing the hope that forcing private tradesmen to route their payments from state firms and co-operatives through the tax collectives, will in fact help the ordinary citizen. His payments, because they can remain unregistered, now become much more attractive, and this will increase the services available to the population from private tradesmen, who currently do some forint 2bn. worth of work a year for state firms and co-operatives.

The restrictive attitude of the later Gomulka years in Poland led to a decline of small private enterprise, and in Hungary too, the numbers engaged in it have fallen, from a peak figure of 72,000 in 1971 to 60,000 this year. The authorities repeatedly affirm the need for small private trade, and the pay of an engineer at top appear to feel this sincerely. But in the hardening economic and political climate of East Europe, their affirmations may sound hollow to the small private tradesmen themselves, whom experience has made extra sensitive to unfavourable winds.

Frigg development cost 'strains' Norsk Hydro

BY FAY GJESTER OSLO, July 17.

THE COST of developing the giant Frigg gasfield has escalated to an estimated Kr.14.8bn.—far above the original forecasts—according to the Norwegian magazine, Noroil. It says the French state-owned company, Elf-Aquitaine, a partner in the field, has sought French Government help to finance its share of development costs.

Norsk Hydro's share of the total will be some Kr.3bn., the magazine predicts. Hydro has a stake of roughly a third in the Norwegian part of the field, which straddles the median line between the British and Norwegian sectors of the North Sea.

Hydro's increased commitments on Frigg, together with its other North Sea engagements, mean that over the next two years the concern will have to spend much more than expected on offshore activities, Noroil writes. When Hydro recently decided to expand share capital (by Kr.232m. to Kr.685m.) it estimated that its offshore expenditure over the next two years would be around Kr.1.9bn.

This forecast is clearly far too low, and the group will have to raise further loans to meet its commitments. Moreover, predicts Noroil, another increase in share capital may have to be considered, in order to maintain a reasonable relationship between share capital and loan capital.

GREEK POLICE TRACE ACTRESS

By Our Own Correspondent

ATHENS, July 17.

CINEMA ACTRESS and Athens town councillor, Aimilia Ypsilanti, who was feared yesterday to have been kidnapped by Junta sympathisers, has been found by police.

A nationwide search for Miss Ypsilanti was mounted by police after she failed to show up for a committee meeting with the Mayor of Athens and later with a close friend on Tuesday. She was traced early to-day at a summer camp where her nine-year-old daughter from her first marriage is holidaying.

WESTERN 'DISAPPOINTMENT'

Deadlock at the troops-cut talks

BY PAUL LENDVAI VIENNA, July 17.

THE SIXTH round of the 19-nation East-West force reduction talks (MBFR) recessed here to-day until the end of September in an atmosphere of total deadlock with a Western spokesman for the first time publicly expressing disappointment over the lack of progress.

Polish Ambassador Strulak complained at a Press conference that the NATO States in the last round of talks "have hardened their position" and taken "a totally negative attitude" on the inclusion of air forces and nuclear weapons into the force reductions. He said that there was a long way to go before agreement can be reached and added that progress now clearly depended on Western willingness to recognise the principle of undiminished security. Finally, he revealed what he called a new initiative of the Eastern side to work out an agreed definition of what forces should be classified as ground forces and as air forces.

Immediately afterwards, Dutch ambassador de Vos briefed the Press on behalf of NATO and described the latest Eastern proposal as dealing merely with technical aspects without responding to the Western offer to exchange data.

The Dutch diplomat reaffirmed that the basic Western goal was to achieve an approximate parity between the two sides in ground forces in Central Europe in the form of a common ceiling on ground force manpower plus reduction of Soviet tanks. "We don't see how the East can expect the West to agree to freeze itself into a position of enduring inferiority through a binding international agreement," he said, and added that the Western side was puzzled by the persistent Eastern refusal to discuss data.

He said that after six rounds of negotiations which started here on October 30, 1973, the Warsaw Pact had proposed troop reductions by certain percentages while still refusing to discuss to what exact level of forces those percentages would apply. While contesting the accuracy of Western figures about force disparity, the Eastern participants had not provided their own. The Warsaw Pact has 150,000 more soldiers, and maintains 2½ times as many tanks as the West in Central Europe.

The Warsaw Pact has not been willing so far to discuss so-called associated measures (for example prior notification of manoeuvres and troop movements) nor the key issue of verification of the projected agreements. The Nato spokesman stressed that progress in the force reduction talks was a major test of détente while the Polish speaker pointedly remarked that the Warsaw Pact side was hoping for a more constructive Western approach after the "historic summit meeting" of the European security conference in Helsinki.

Malcolm Rutherford writes: Western diplomats did not seriously expect much progress to be made at this session and concentrated mainly on stressing their own position. Now that the European Security Conference is almost over, however, the MBFR talks are likely to become the main focus of détente. Western Heads of Government will press this point strongly at the Helsinki summit meeting.

Turkey defers bases action

ANKARA, July 17.

TURKEY CALLED on the U.S. to-day to immediately start re-negotiating their bilateral defence agreements, Foreign Minister Ihsan Sabri Caglayangil said. But, in its second Note to Washington in 30 days, the Government deferred any action on the two dozen U.S. military bases until the completion of "technical work."

"We have informed the U.S. Ambassador in Ankara to-day with a diplomatic Note that the deadline (to start the renegotiations on the future status of the U.S. bases in Turkey) has expired," Mr. Caglayangil told a news conference.

"The United States has already expressed its willingness to start renegotiating the future legal basis of the bilateral defence relations with Turkey in its reply to our Note of June 17," he said.

Turkey told Washington in a Note on June 17 it would revise the status of 25 U.S. military bases on its soil if the U.S. Congress' ban on all military shipments to Turkey was not lifted.

Congress imposed an arms embargo against Turkey on February 5 on grounds that Turkey used U.S.-made weapons in its invasion of Cyprus a year ago and had failed to make substantial progress toward resolving the Cyprus crisis.

A "provisional status" for the U.S. bases would go into effect automatically after July 17, Mr. Caglayangil told newsmen a month ago. But he said to-day that his Government would defer such action until technical work is complete.

UPI

Soviet SALT proposal

GENEVA, July 17.

THE SOVIET Union to-day told the 31-nation Geneva disarmament conference (SALT) that peaceful nuclear explosions should be carried out under the supervision of the major powers.

Such blasts, ostensibly made for peaceful purposes, could not be allowed to be carried out indiscriminately as this would lead to "practically insoluble problems," conference sources reported Soviet chief delegate Alexei Roschin as saying.

Mr. Roschin said peaceful nuclear explosions should be undertaken within the framework of the 1970 nuclear non-proliferation treaty, which says only nuclear states—at that time the Soviet Union, the U.S., Britain, France and China—should carry out such tests and should supervise such blasts carried out by other countries.

The Soviet chief delegate said that if the Geneva forum could negotiate a comprehensive test ban it would have to take a fresh look at the problem of peaceful explosions but for the moment the issue would have to be tackled according to the 1970 pact.

Reuter

VISION'S REPORT ON EUROPE

Where to live and enjoy it

BY RUPERT CORNWELL PARIS, July 17.

IF YOU'RE a foreign worker go to Sweden. If you're young Italy is the place, if you're old Finland. Denmark is the European country that gives women the best deal, while impoverished old Britain still offers the best chance of getting a blow at the bureaucrats.

These, and a myriad others, are the findings of a report by the business magazine Vision, aimed at identifying the country in Western Europe which treats the individual best.

Top of the human rights league predictably enough comes Sweden, followed by other liberal bastions of northern Europe like the Netherlands, West Germany, Denmark and Finland. Next, rather more surprisingly, come France and Italy, and Britain in only eighth place.

The U.K., in fact, sees a number of its more cherished illusions knocked firmly on the head. The clear message of Vision's admittedly imperfect statistics is that we now have lagged far behind not only Scandinavia but also most other EEC countries in our treatment of immigrants, workers, the elderly and handicapped and women.

Take heart though; that Britain still comes top for fighting the bureaucrats, and indeed has fewer civil servants (only 40 per 1,000 inhabitants) than anywhere else except Finland and Japan. And if you want to get out you can still get a passport quickest of all, in just 24 hours.

If they needed any reminder, Britain's MPs are worst paid than all save their Spanish, Swiss and Irish counterparts, and if they should decide to abandon everything and become tramps, they can get thrown in prison for 12 months, longer than in any European country.

Germany has the most newspapers in Europe, and France virtually the greatest number of policemen (38 per 10,000 people, against 22 for the U.K. and only 13 for Norway). Switzerland wins the prize for treating its cultural minorities best, but spoils it by getting the wooden spoon for xenophobia, especially toward those wretched foreigners who are caught bouncing a cheque—and can go to prison for up to 10 years.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMPONENTS

Tiny motor with mighty torque

MINIATURISATION of a hybrid stepping motor is being regarded as a breakthrough by research engineers at Muirhead-Vactric Components, of Morden, Surrey.

The baby motor, in a size 13 case, is half the diameter of a comparable hybrid and believed to be the smallest available anywhere. It has now been prepared for volume production under code number 13 MR 301.

First order is destined for a customer in Germany for use in a computer printer, but Muirhead-Vactric expects the product's biggest appeal will be in the aero industry.

Ken Moore, product manager, sees applications in fuel control systems for gas turbine aero engines. Considerable interest has already been shown by three out of the four companies in fuel control systems.

Despite its small size—only 58 mm. long by 32 mm. diameter—the motor develops a holding torque of more than 600 g/cm., and a running torque in excess of 500 g/cm. Resolution is 200 or 400 steps/rev.

Muirhead-Vactric expects the motor will be applied as a drive or a positioning device in instruments, process control, office and business machines, and in optical and *photographic systems*. It supplements existing ranges of Size 23 and 34 hybrids, variable reluctance and permanent magnet types.

Muirhead-Vactric Components is at Garth Road, Morden, Surrey *(01-337 6644)*.

● HANDLING

Elevator does not clog

A SPIRAL elevator introduced by Canterbury Conveyors for powdered and granulated chemicals, polymers, minerals and foodstuffs, has an integral conical hopper and an adjustable feed inlet. These features are said to ensure that throughput is not interrupted when cohesive or compacted material is being handled.

Hoppers with capacities of up to 6 cu. ft. are available, with sides that converge into the inlet which forms part of the hopper wall.

For free-flowing materials, the inlet aperture *is set at minimum* as gravity feed is sufficient. When difficult materials are being handled, the aperture is increased to bring several flights of the spiral into contact with the material. The revolving spiral loosens the material and prevents it from forming bridges.

The flexible open-pitch spiral is claimed not to de-blend or compress the material, and it can be easily withdrawn for cleaning. Capacities of 17 to 106 cu. ft./hr., discharging at heights of 20 to 29 ft., at angles of 50, 60 or 70 deg. are available, made in mild or stainless steel. The company is at Soring House, Mount Pleasant, Blean, Canterbury, Kent CT2 9EU (022 777 460).

● COMMUNICATION

Portable viewer

A RELATIVELY low-cost portable audio-visual presentation system has been announced by Avcom Systems, Newton Works, Stanlake Mews, London W12 7HA (01 749 2201).

It consist of a briefcase con*taining a 50-slide-capacity auto*matic 35 mm projector and a cassette machine for synchronised commentary.

The unit is based on a Kindermann AV-100 rear screen projector. For larger audiences the rear screen assembly is detached and the equipment is immediately ready for use on conventional projection screens with full remote-control facilities.

Model AVK 50 is suitable for mains voltages at 50 or 60 Hz. It measures 400 x 310 x 150 mm and weighs 7 kg. Models are also available for 35 mm filmstrip and 110 transparency format. Prices are from £175.

● CALCULATORS

Repetitive work left to memory

PROGRAMMABLE scientific pocket calculator HP-25, priced at £119, is brought in by Hewlett-Packard to provide simplified programming capability for engineers, scientists, students, technicians and others who need to handle repetitive calculations.

The new model is the first *pocket calculator to offer* an engineering notation which displays exponents as multiples of ±3 for ease in working with many units of measure (e.g., kilo (10^3), giga (10^9), pico (10^{-12}), nano (10^{-9}). It also has fixed decimal format and scientific notation.

The new calculator has 49 steps of program memory, *coupled with merged keycodes* that conserve steps to expand memory capacity. An "Integer/Fraction" key permits storage of two numbers in a single memory and an "Absolute Value" key adds to the storage capacity.

Editing capability is provided by a back step key and a single step key that gives the user the ability to see the program step number, the keycode and the intermediate result. The user can also change steps within a program or add steps easily.

A "Go To" key allows the user to skip program steps, and a "Pause" key enables the user to write controlled interruptions into programs to review intermediate results or verify the progress of a calculation. The HP-25 can also perform direct branches and make any of eight conditional tests within a programme.

Users may perform full register arithmetic (+, −, ×, ÷) on the information in each of the eight addressable memories in the HP-25.

The HP-25 has 72 pre-programmed functions and *operations. They include all log* and trig functions, the latter in degrees, radians or grads; rectangular/polar and decimal hours/hours-minutes-seconds conversions: mean and standard deviation: and summations.

The company is at King Street Lane, Winnersh, Wokingham, Berks RG11 5AR. Wokingham 784 774.

Low cost unit

SINCLAIR has joined the vogue for programmables with a new mains/battery scientific calculator. At £29.95 including carrying case, main adaptor and VAT, the machine is based on a single chip designed by and exclusive to Sinclair. It is the first programmable calculator to be operated on a single integrated circuit, the company says.

Programs, of up to 24 steps, which are entered directly through the keyboard, are stored ready to operate on any numbers which are subsequently entered. Number entry can be in scientific notation or fully-floating decimal point. All results—*appearing in large* green digits on the fluorescent display—are in scientific notation with a five-digit mantissa and two-digit exponent, both signable.

Initially Sinclair will introduce this new machine by mail order with support from a national advertising campaign.

Further information is available from Sinclair Radionics, London Road, St. Ives, Huntingdon, Cambs. PE17 4HJ (0480 64646).

● MATERIALS

Glass for stereo sound

HI-FI enthusiasts know that loudspeaker cabinets must have minimum response to vibration, which is why they are usually constructed of heavy wood—there is even a design using 1 cwt. of concrete.

Glass is usually thought of as a *"ringing" resonant material* and therefore unsuitable for constructing speaker cabinets, but in fact glass in sufficient thickness almost eliminates resonant vibrations because of its high density and stiffness.

A system has been designed called the Co-Planar Suite, which uses Pilkington 5 mm thick amber Cotswold pattern glass for the sides of a speaker enclosure, and 10 mm thick rough cast glass for the bass, achieving a pleasant effect acoustically and aesthetically. The glass is joined by a flexible silicone sealant, which aids damping.

The suite has two glass cabinets, each measuring 10 x 12 inches, weighing 7 lb., and enclosing five loudspeakers. These cover a frequency range from 100 to 20,000 Hz.

Base frequency response is provided from a conventional wooden cabinet (this too may eventually be made of glass), housing the controls, and two speakers producing frequencies from 20-100 Hz.

The system is said to be compatible with most high-quality stereo amplifiers, and because of *its design and acoustic qualities* is capable of producing a similar sound from a 10W input to that produced by some conventional loudspeakers at 50W.

Costing £320, the suite was designed by acoustics consultant, Mr. T. Jordan and is being marketed by P and S Enterprises, Banbury, Oxon. (0295 58620).

● MACHINE TOOLS

High-speed nibbler from U.S.

DEVELOPED BY Strippit-Houdaille, a subsidiary of Houdaille Industries Inc., of New York, is a numerically *controlled turret hole punching* machine with a hit rate of 180 holes/minute on 1-inch centres. Carriage travel speed in X/Y axes is 1500 inches/minute.

Contour nibbling can be carried out at 375 hits/minute with circular and linear interpolation. With the 30-ton punching pressure, 1.25-inch-diameter holes can be made through ½-inch-thick mild steel, 2.875-inch holes through 10 gauge, and 3.5-inch holes through 12-gauge steel. Accuracy is said to be ±0.005 inch.

Changeover from point-to-point hole punching is by a code reference in the tape. The control also provides inch/metric switching, absolute and incremental programming. EIA/ASCII code switching, XY and block readout, and manual input for table positioning with jog fast and slow table control.

From September the machine will be made by Press and Shear Machinery Company, Coronation Road, Park Royal, London NW10 7PT, currently the sole importer.

● INSTRUMENTS

Digital ammeter

INTENDED MAINLY for use with the company's gloss measuring and *reflectometry* instruments is a digital ammeter DS29 introduced by Diffusion Systems, 43 Rosebank Road, London W7 (01-579 5231). It can also be used with any low impedance transducer requiring linear read-out.

Unlike conventional galvanometers, which it can replace, the meter *needs little or no main*tenance, claims the company, and can provide reproducible results *in the hands of experienced* operators. There are coarse and fine calibration controls and the full-scale reading can be obtained for 0.25 microamps input.

The control panel incorporats a 3½ digit display, a power on-off indicator, zero setting control and the range adjusters. Dimensions are 220 x 220 x 90 mm and the weight 3.2 kg.

● ENERGY

Makes good use of exhaust gas

CONSIDERABLE energy savings are claimed for an exhaust gas recovery system for reheat furnaces developed by Kawasaki Heavy Industries, Tokyo.

The company says energy requirements are reduced by about 20 per cent., and that if its systems were installed on the 100 reheat furnaces currently in use in Japan, heavy oil worth $82m. could be saved annually.

In conventional reheating fur*naces used in the steel industry* slabs and billets are heated to about 1200 deg. C prior to rolling. Thermal efficiency is extremely low (about 50 per cent., according to Kawasaki) and the unused heat is discharged in exhaust gas.

The new system recovers the exhaust gas and channels it through an arrangement of *nozzles and blowers in a cham*ber holding slabs and billets ready to move into the furnace. This preheating raises the temperature of the steel to about 300 deg. C before it enters the furnace. This improves the thermal efficiency of the reheating process.

Kawasaki estimates that if a reheating furnace runs at a rate of 300 tons/hr. expenses can be reduced by the equivalent of $885,000 a year, if an exhaust gas recovery system is used. The company has applied for patents in Japan, the U.S., U.K., West Germany, and other countries.

● ELECTRONICS

Cuts where space is limited

FOR CUTTING wires in electronic assemblies where space is restricted and conventional cutters are impracticable a thin profile shearing tool known as *Microshear 170 has been* introduced by Welwyn Tool Company, Stonehills House, Welwyn Garden City, Herts. (Welwyn 29121.)

The tool is able to handle round leads up to 0.04 inches (1 mm.) in diameter or flat leads of equivalent cross section area. The overall length of the shears is five inches and the weight 1.5 ounces (42 gms.).

Available as an attachment is a safety clip which holds the end of the lead until it has been cut, preventing damage to circuits and equipment from loose lengths of wire and also eliminating risk of eye injury due to flying clippings.

HOME NEWS

Booby-trap deaths blow to Ulster peace hopes

BY OUR BELFAST CORRESPONDENT BELFAST, July 17.

A BOOBY-TRAP bomb explosion in South Armagh to-day in which two soldiers died and two were presumed killed has dealt the most serious blow yet to the fading hopes for any prolonged continuation of the IRA cease-fire.

The Provisional IRA at Crossmaglen admitted responsibility. It said it was its "answer to the deaths of two men" and to "the continued presence of the British Army."

The dead are Mapor Peter John Willis, Green Howards, from Chester; and Warrant Officer Edward Ganside, a bomb-disposal expert, from Chepstow, Gwent.

There have been no indications that the Provisionals are on the point of a formal and full-scale resumption of hostilities but relations between them and the Army have worsened considerably in the past few weeks and the number of incidents has increased.

The soldiers are the first to be killed in Ulster since February 8, when a sergeant died in a gun battle between the end of the IRA's Christmas cease-fire and the beginning of the present one.

This latest incident, coupled with the shooting attacks on soldiers in Belfast this week, raises the question of whether the cease-fire is now merely a state of limited hostilities.

There are signs that Ulster is talking itself into a war with widespread predictions of large-scale violence before the end of the year.

Protestant politicians and para-military groups are convinced that the IRA will resume its campaign by then, and the paramilitaries claim to be prepared to deal with this situation.

Whirlwind

The Ulster Loyalist Co-ordinating Committee, which includes a number of para-military organisations, and the Ulster Workers' Council, called on Ulstermen and women to prepare diligently to defend themselves. One of its leaders, Mr. Glen Barr, said he believed a "holocaust" was coming.

The Rev. Ian Paisley, commenting on the South Armagh explosion, said the Ulster Secretary, Mr. Merlyn Rees, "had sowed the wind of the IRA cease-fire and was reaping the whirlwind."

The MP for South Belfast, the Rev. Robert Bradford, said the IRA was engaged in a programme of "reconstruction" which the Government must *stop*.

The Government itself, while sticking to its policy of responding to whatever the level of violence may be, would still see the only real hope lying with the Constitutional Convention.

In this context, it was disclosed to-day that the Alliance Party will begin a series of talks with the Unionist coalition on August 1.

This is part of the attempt to find broad agreement of the role of the minority in Government through inter-party talks before the convention resumes on August 19. The SDLP will also start talks about the same time.

M and S buys part of Biba site

MARKS AND SPENCER is to buy part of the Biba site in High Street, Kensington. The deal will fill a gap in Marks' chain of London stores and mean that Biba will return to a style of trading nearer its boutique origins.

It has been known for some time that British Land, the controlling shareholder of Biba, has been disappointed with the store's performance and that the company has been looking for a buyer for at least part of the site. Marks and Spencer, which has stores in almost all London's other prime shopping areas, was an obvious contender.

The purchase will give Marks 52,000 square feet of sales space on two floors—slightly smaller than the Marble Arch store. Marks will take possession in March of next year and the store should be opened in the autumn of 1977.

Biba began trading as a boutique in the sixties at the height of the "Swinging London" era. Over the years it moved into larger and larger stores, eventually ending up in Derry and Toms old site in Kensington High Street. By this time, Dorothy Perkins had bought a controlling interest in Biba. In 1973 Dorothy Perkins was itself taken over by British Land, which already owned the Derry and Toms site.

Under the plans announced yesterday, Biba is to be re-organised so as to enable it to trade in a reduced area, though British Land said yesterday that no decision had been taken as to the exact nature of the reorganised Biba store.

The total Derry and Toms site has a frontage of 276 feet. Marks has only bought 119 feet.

Machine tool orders down 6% in first quarter

BY LORNE BARLING

THE CONTINUING recession in the U.K. machine tool industry is reflected in Department of Industry figures for the first quarter of the year, which show a continuing decline in orders on hand.

By the end of March total order books had eased back by value to a level six per cent. lower than at the end of December and eight per cent. less than the record level of October last year.

The magazine Trade and Industry, published yesterday, said that orders outstanding for the home market showed a decline of nine per cent. compared with the end of December while export orders were down by only three per cent. The level of overall order books in the first quarter had risen by 10 per cent. compared to levels a year ago.

"This modest rise over a year is mainly as a result of expansion of orders on hand for the export market which rose by 23 per cent. while those for the home market fell back slightly, by three per cent," it added.

The value of total new orders received in the first three months of the year fell by 12 per cent. when compared with the preceding quarter. This was the lowest level since the first quarter of 1973.

Although new orders originating from the home market dropped by seven per cent., new export orders upon which many manufacturers have been relying, fell more sharply by 18 per cent.

When compared with the first quarter of 1974, the flow of new orders received had fallen by 25 per cent., with those from overseas down 30 per cent. and home orders off by 21 per cent.

"The low level of new home orders received, especially in volume terms, reflects the general weakening of investment activity in the economy," the Department said.

It added that, although activity in the industry remained relatively high with current value sales 36 per cent. greater than a year ago, much of this reflected the effect of price increases.

The fall in orders from all sources has continued the downward trend apparent since the middle of 1974 and reflects the general weakening in investment demand both at home and abroad.

Mr. Edward Heath presenting the Financial Times trophy in London yesterday to the team that won the 1975 National Management Game. The four players from the Littlewoods Organisation of Liverpool, accumulated a paper "profit" of £6.71m. Our picture shows (left to right) Ian Clark, a project manager; George Cochrane, salaries manager; David Anderson, merchandiser; Mr. Heath; and Iain Johnman, packaging technologist. Second place in the contest went to two married couples from Harrow. David Duncan, who works for MPA pensions consultancy, and his wife Judy; and Nick Smith, a staff member of British Gas, and his wife Shirley, employed by Book Club Associates.

BSC plans to make 70m. tons a year by 1999

Financial Times Reporter

THE BRITISH Steel Corporation is planning to make 70m. tons of steel a year by the end of the century, Sir Monty Finniston, its chairman, told a steelmaking conference in Sheffield yesterday.

But manpower needs, he added, "may not be as many" as the Corporation's current level for producing 23m. tons of steel a year.

Steel was a growth industry, but only as far as output was concerned. It was a declining industry from the manpower aspect.

Sir Monty forecast major changes in the pattern of employment in the steel industry and the methods of training. People would be changing jobs far more often and the tradition of men starting in the steel industry in their teens and continuing to work for steel for the rest of their working life was disappearing, he said.

Despite recent substantial developments in electric arc steel making in Japan, the British concentration, in the Sheffield/Rotherham area, was still a world leader he said.

There would have to be attention in the future to alternative feedstocks for the arc furnaces, currently using a large percentage of scrap. One of the alternatives would be direct reduced iron pellets.

BSC had already announced the development of a plant at Hunterston, in Scotland, to produce these pellets. Sir Monty said he was not yet allowed to reveal the size of the project, but it would involve a production of "hundreds of thousands of tons" of pellets.

Airports Authority acts to boost revenue as profits fall

BY LORNE BARLING

THE BRITISH AIRPORTS Authority's pre-tax profit fell by almost a third to £8.4m. last year, compared with £11.8m. the previous year. This followed a drop in passenger traffic. As a result, it said yesterday that revenue must be boosted this year to meet rising costs.

Mr. Nigel Foulkes, the authority's chairman, indicated in London that he would seek to increase by 12 per cent. the price of duty-free spirits sold at BAA airports, and also raise landing charges.

He stressed that the authority's policy of holding down operational charges by expanding profitable commercial undertakings would continue.

Costly landing

Presenting the BAA accounts, Mr. Foulkes said that landing charges had been unchanged for three years, but with the energy crisis, traffic and landing-fee income declined slightly, costs rose by 25 per cent. and that side of the business made a loss of £4m.

Commercial operations such as shops, car parks, restaurants and others increased their trading profit by £1.5m. to £14.5m.

In the longer term, he warned, there would probably be no significant growth in overall traffic in the next two or three years due to the depressed state of the air transport industry. Last year passenger traffic decreased overall at BAA's five airports by 3.3 per cent., the first fall in many years.

As a result, net return on assets had fallen from 16 per cent. last year to 11.5 per cent., and the Government target of 15 per cent. was unlikely to be reached in the foreseeable future. Big investments had been made in Scottish airports, which were unlikely to be profitable for some years.

The £70m. development of Gatwick was intended to make it a major European airport, Mr. Foulkes said. It would take an increasing amount of the traffic which would otherwise have gone to the now cancelled Maplin airport or to Heathrow.

There were also plans to build a fourth terminal at Heathrow, but this would be undertaken only when investment in Gatwick began to show some return.

He added: "BAA's present plan assumes that there will be no new airport in the South-East in the next 15 years, and that the development of existing airports will involve no new runways."

On Concorde, Mr. Foulkes said that the Authority was providing special check-in desks at Heathrow, and two docking facilities which would cover the same area as one used for a wide-bodied aircraft.

He admitted that complaints about noise from Heathrow had increased since the start of the Concorde route proving flights last week. These were being passed on to the Department of Trade.

June unit trust sales down 22%

By Christopher Hill

UNIT TRUST sales fell by 22 per cent. in June from £34.04m. to £26.58m. following a much smaller fall in May.

Repurchases were also lower, at £11.01m. compared with £13.54m., leaving the net level of sales almost £5m. down at £15.58m.

During June share prices fell—the FT All Share Index dropped 14½ per cent.—and this has had a clear impact on unit trust sales, though there has been no corresponding rise in repurchases. The monthly average for sales this year is £28.2m.

Repurchases were lower than those in the three previous months although higher than those of the first two months of the year. But net new investment is the lowest so far this year against the monthly average of £18.7m.

Total net new investment for the first half year amounts to £112m., almost treble the £40m. recorded for the period of 1974. This still leaves it some way below the 1973 level of £130m., which is possibly a better basis of comparison.

The value of funds under management also reflects the downturn in the U.K. market at £2.2bn. for June against £2.34bn. for May. But it is still a great deal higher than the £1.7m. reached in June 1974.

The number of unitholders' accounts is also marginally lower just touching 2.2m.

The sales for June include the initial launches of the Antony Gibbs Capital and Income Funds, but these should not have influenced the outcome unduly.

The extent of the fall in sales lends weight to the suspicion expressed by some managers last month that the figures then would have been lower but for the transfer of money from life assurance managed funds into unit trusts.

Pensions may escape pay freeze

BY ERIC SHORT

IT WOULD now appear that the Government has not ruled out the possibility that pensions and other allied benefits could be excluded from the anti-inflation proposals.

It had been thought that the Government's long-term pensions policy and the further development of private occupational pension schemes were threatened by last Friday's White Paper. The Department of Employment stated on Wednesday that pension rights were included in non-wage benefits that would come within the £6 a week pay-rise limits.

This attitude was in conflict with previous attempts at drawing up an incomes policy by the Heath Government when new or improved occupational benefits were specifically exempted from any legislation.

Yesterday, however, it became apparent that the Government was attempting to clarify the position. The Department of Employment stated that the position of pension benefits within the anti-inflation proposals was still under active consideration—although it could give no indication of when the position was likely to be settled.

As long as uncertainty over the position remains, there will be delay by employers in setting up new pension schemes and improving existing ones. The pensions industry is seeking clarification as a matter of urgency especially where improvements have been discussed and agreed but not yet ratified or implemented.

Overseas computers' 63.9% of U.K. market

By Christopher Lorenz

FOREIGN - OWNED computer companies held 63.9 per cent. of the £1.19bn. U.K. market at the end of last year, according to official figures released yesterday by the Government.

The most surprising aspect of the figures, compiled from the National Computer Index, is that they give IBM only 37.7 per cent. of the total market value, well below the range of 40-43 per cent. estimated in several recent independent surveys, including the influential EDP Europa. Honeywell and Univac are also given lower shares (6.2 per cent. and 4.2 per cent. respectively) than in other studies.

Britain's ICL, in contrast, is given 31.7 per cent., well within the range of 28-34 per cent. estimated by EDP Europa. The rest of the U.K.-owned companies' share of 36.1 per cent. is made up by GEC (1.9 per cent.), Ferranti (1.7 per cent.), Computer Technology (0.3 per cent.), Plessey 0.1 per cent., Digico less than that figure, and "others" 0.3 per cent.

A breakdown of the market into four sectors puts private customers way out in front, accounting for about 65 per cent. of the total, followed by central Government with 15 per cent., public corporations 13 per cent. and local government 7 per cent.

The breakdown gives U.K. companies 62.1 per cent. of the central government sector, 57 per cent. of local government, 47.7 per cent. of public corporations and only 25.4 per cent. of the private market (all by value).

Taking the same sectors in turn, ICL is given 30.9 per cent., 54.2 per cent., 37.4 per cent. and 23.7 per cent. respectively. IBM is attributed 16.6 per cent. of central government, 22.4 per cent. of local government, 33.0 per cent. of public corporations and 45.4 per cent. of the private market.

The fact that ICL's best sector share is the local government area, whereas the British industry as a whole does best with central government, is accounted for largely by the fact that GEC and Ferranti have 6 and 3.9 per cent. respectively of the central government market, but a combined total of only 1.6 per cent. of local government.

The survey's definition of "notional values" gives U.K.-owned companies an installed base worth £433.6m., compared with the foreign-owned share of £765.5m.

British Airways helicopter lease

BY LORNE BARLING BELFAST, July 17.

BRITISH AIRWAYS is to lease four heavy-lift helicopters to Shell (U.K.) Exploration and Production for work in the North Sea oilfields over the next five to eight years. The £14m. contract was signed yesterday.

British Airways, which already owns 13 of the Sikorsky S61N helicopters and operates them mainly for oil companies working in the North Sea, will buy three more soon at a cost of £3.6m.

The aircraft, one of the few of sufficient size to meet North Sea requirements, carry 30 people and have a loaded range of about 200 miles.

The contract with Shell, believed to be the biggest of its kind ever signed, gives the company a cost advantage over hiring aircraft on a short-term basis.

Shell said: "It shows our confidence in British Airways Helicopters and Shell's continuing involvement in the development of North Sea oilfields."

The managing director of British Airways Helicopters, Captain Jock Camberon, said: "This contract assures Shell of the helicopter support in the North Sea essential to their efforts to bring Britain's oil ashore."

Inland Revenue sets out transfer tax rules

BY MICHAEL BLANDEN

THE PRINCIPLES of "grossing-up" under the new capital transfer tax and the methods of calculating tax on lifetime gifts have been set out in a new explanatory memorandum published by the Inland Revenue.

The memorandum includes tables designed to help calculation of the amount of tax payable. These provide for calculating the total tax due on the cumulative total of chargeable gifts including the latest gift.

The difference between that total and the tax previously payable is the amount due in respect of the latest gift.

The tables are important because the tax is chargeable on a cumulative basis on gifts during the lifetime of the donor, and because of the complications resulting from the grossing-up procedure.

Grossing-up arises where the donor is to pay the tax on the gift. The amount chargeable to tax is the amount by which his estate is reduced as a result, thus including the tax paid by the donor.

Where tax is paid by the recipient, however, tax is calculated on the value of the property passed to him.

The tables enable a donor to work out the sums involved either to reduce his own estate by a given amount—how much he will pay in tax and how much will be left for the recipient—or how much tax he will have to pay in order to give a certain amount to the recipient.

Because of the nature of the tax, a cumulative record of all gifts made by a donor since March 26, 1974, is needed to determine the tax payable on any particular occasion.

Inland Revenue; Capital Transfer Tax Tables; Form 212.

Workers compensated during plant refit

By Peter Cartwright, Midlands Correspondent

MORE THAN 400 workers at Eaton Corporation's materials handling division at Wednesfield (Staffs) are to get £220-£250 each "welfare payment," as compensation while being laid off for ten weeks from August to mid October.

Most of them have been on four-days a week making fork lift trucks for the past three months. "With this payment, unemployment pay and income tax rebate, some of the lads will be picking up a good deal more than on four days," a union official said.

Eaton, which recently devoted £750,000 to improving productive efficiency, will be using the time to instal further equipment ready for the expected up turn in demand for fork trucks next year.

Building societies attract record £1.67bn. funds

BY JOE RENNISON

THE BUILDING societies had their most successful half-year in attracting funds between January and June. The net inflow recorded £1.67bn., compared with £235m. and £903m. respectively for the first and second halves of 1974.

The outlook for those seeking mortgages seems to be good at least for the rest of this year, though there is little likelihood of the mortgage rate being cut in the near future.

As well as having a healthy inflow, the societies have a large amount of money in liquid funds. This now amounts to about £4.3bn., or about 19.5 per cent. of total assets compared with about 16.3 per cent. a year ago. Should net investment fall off in the coming months, this should ensure that the societies are able to continue lending at their present rate of about £450m. a month.

It is estimated that this year the societies will lend nearly £5bn. to about 600,000 home buyers. This is about the same number of borrowers as at the height of the property boom in 1972.

Presenting the half-year results in London yesterday the chairman of the Building Societies Association, Mr. Raymond Potter, said the societies aimed to maintain a stable market in housing. He emphasised that if there was a danger of the market over-heating there were contingency plans to restrict the amount of mortgage lending.

Prices are rising much more slowly than the general level of inflation. According to the BSA's own index, they rose by 4 per cent. between the first and second quarters of this year and by only 2.7 per cent. between the end of December and end of March this year.

Tea planters £47 an acre 'is too low'

COMPENSATION AT the rate of £47 an acre would be "quite an absurdly low price" to pay for the Sri Lankan tea estates now in British hands, one of the oldest established tea plantation companies said in London yesterday.

Earlier this week the Sri Lankan Government told the British tea companies that it intended taking over their remaining estates. The Department of Planning stressed that compensation would be paid at an "adequate" level. There has been speculation that "adequate" could be translated to mean a figure around the £47 an acre rate which Sri Lanka recently paid for Brooke Bond Liebig's remaining estates.

Yesterday, Central Provinces Ceylon Tea Holdings said that in view of prices realised for estates in other parts of the world £47 did not reflect the true value of the property in Sri Lanka.

DEATH INQUIRY

A mines inspector was yesterday investigating the death of miner Mr. George Hutchinson who was killed underground at Gedling Colliery in Nottinghamshire. Mr. Hutchinson, aged 31, of Lambley, Notts., was repairing a conveyor system when he was struck on the head by a faulty loading machine.

Mersey docks chief pins hopes on world trade recovery

BY OUR MERSEYSIDE CORRESPONDENT

THE CHAIRMAN of the Mersey Docks and Harbour Company, Mr. John Page, was cautiously optimistic about the immediate trading prospects of the Port of Liverpool at the annual meeting attended by about 200 bond and stockholders in Liverpool yesterday.

He said it was virtually impossible to predict with any certainty trade prospects for this year. While there had been a general down-turn in import trade nationally of more than 7 per cent., exports had increased slightly by some 3 per cent.

"Whether these trends continue for the rest of the year and into next year remains to be seen but there now appears to be some hope, and it is only hope, that 1976 will begin to see an improvement in the economic scene.

"We now have a bigger percentage share of the reduced national market but our improved trading in the second quarter of this year was an improvement only on the not very good trading in the first quarter which was due to a large extent to the continuing after effects of the industrial troubles during 1974."

In the short term, he foresaw great difficulties in the overall trading position while there is a recession. The port was not attracting anything like enough containers partly due to an over supply of container handling facilities in the U.K. He went on:

"However, world trade eventually will pick up again and, if we maintain our present improved service, we should make the most of the opportunities that will be there for us to take, but this is in the longer term."

The annual report and accounts, which showed an overall loss of £4.13m. reduced by Government grants of £3m. to a net loss of £1.1m. were approved. Some shareholders were critical, however. One described the report as a catalogue of failure, and another a tale of woe. A third asked if the directors were waiting, as their predecessors had done, "for salvation from nationalisation."

The re-election of two retiring B directors, Mr. J. P. Bingham and Mr. G. L. Tillotson, recommended by the Board, were defeated on a show of hands. Miss Margaret Moston, of Birkenhead, one of the leaders of the campaign by the stockholders opposing the capital reconstruction of the company some years ago, then proposed from the floor the election of Mr. Peter William Heath, a partner in a firm of London stockbrokers. He played a prominent part in the High Court action on the write down of the capital.

A poll was taken but as only those present were allowed to vote under the articles of association, the proxies will ensure the re-election of the two directors.

Nation Life: Hopes on interim payout

POLICYHOLDERS in Nation Life Insurance Company, which crashed a year ago, could hope shortly to get an interim payment of "up to 50p in the pound." Mr. Ian Edwards-Jones, QC, for Nation Life's liquidator, Mr. Gerry Weiss, said in the High Court yesterday. But in a statement yesterday Mr. Weiss said he could not at this stage be bound to any specific figure.

Assets so far realised might amount to about half the company's ultimate liabilities, and further substantial assets had yet to be realised, Mr. Weiss added.

While he would make an interim distribution as soon as *he had the court's authority* to do so, he could not at the moment bind himself to a specific amount, because other factors had to be taken into consideration.

In yesterday's court hearing, recommendations by independent actuaries on technical questions as to the way the policyholders' claims should be evaluated, met with broad approval.

The recommendations have been put before the court by Mr. Weiss, who is seeking directions from Mr. Justice Templeman about how the company's assets should be divided among holders of 26 different kinds of policy.

HOME CONTRACTS

GKN £7m. diesel engine project

THE £7m. two-year investment programme being undertaken by GKN to instal advanced forging equipment, primarily for the European automobile industry, has taken another step forward with the start by Wilkins and Mitchell, the Darlaston-based press makers, on a £1.8m. contract for Scottish Stamping and Engineering, Ayr.

The 8,000-ton press, which will be the largest ever installed in this country, is the first outcome of the partnership formed last year with Eumoco AG, of West Germany, to whose design the press is being made. But all manufacture and assembly will be undertaken at Wilkins and Mitchell's Darlaston and Scottish factories.

This investment is mainly to provide crankshafts and other components for diesel engines, world demand for which is expected to double by 1980, and matches the expansion being undertaken at Peterborough by Perkins Engines, the world's largest maker of diesels.

*

BEKEN ENGINEERING, Barking, Essex, has received an order worth about £100,000 from Esso Chemical for a heavy duty, slow speed mixer designed to operate at temperatures in excess of 300 degrees Centigrade.

*

HOWDEN OIL ENGINEERING, a member of the Howden Group, has won two orders worth a total of £285,000 from Matthew Hall Engineering. The orders are for Howden Metrol separating equipment to be used by Mobil Exploration Norway Inc., on their Statfjord Project.

*

CROWN HOUSE ENGINEERING has recently received orders for mechanical and electrical services worth £3.41m. They include a mechanical services contract at Gatwick airport worth £2.5m. and another at Edinburgh airport worth £600,000.

*

GEORGE WIMPEY AND CO. has received two contracts together worth more than £500,000 from the Corporation of Manchester for housing for elderly people. Both contracts are due to start shortly and to be completed by August 1976.

*

MUIRHEAD has won a Post Office order worth almost £250,000 for the supply of 48 Kilobits/secs modems and associated equipment for use by its high speed data transmission service. A modem is a device which converts data signals into a form suitable for transmission over Post Office net-works.

Government tourist policy worries agencies

BY ARTHUR SANDLES

TOURIST AGENCIES have told the Government that crucial elements in its new tourism philosophy are in danger of being counter-productive. Care must be taken, they have said, to protect the mainstream flow of tourists and foreign cash into Britain.

The British Tourist Authority and the English, Scottish and Wales Tourist Boards have replied to Mr. Peter Shore's tourist policy guidelines.

They say that any new policy must protect what has already been won. Mr. Shore suggested a switch in emphasis in foreign publicity to less popular tourist areas, and hinted at a cut in the promotional budget.

"Only by ensuring the basic earnings of the industry in traditional areas, as well as fostering it in lesser-known parts of the country, can current levels of regional economic benefit be maintained," says the reply.

"Experience in other countries demonstrates that tourist traffic can fall away rapidly if inadequate support is made to sustain it."

The Boards say they do not accept that, "in the longer term, there should be no increases in resources allocated to them, although they now accept the Government's position that in present economic circumstances additional Exchequer resources cannot be made available."

On the request to cut expenditure on generalised promotion, the Boards say "a general image of Britain is essential if it is to be an effective presence in the market place, both at home and abroad; and in addition, the Boards are already undertaking more specific marketing activities where appropriate. Commercial support for marketing lesser known parts of the country will be difficult to achieve."

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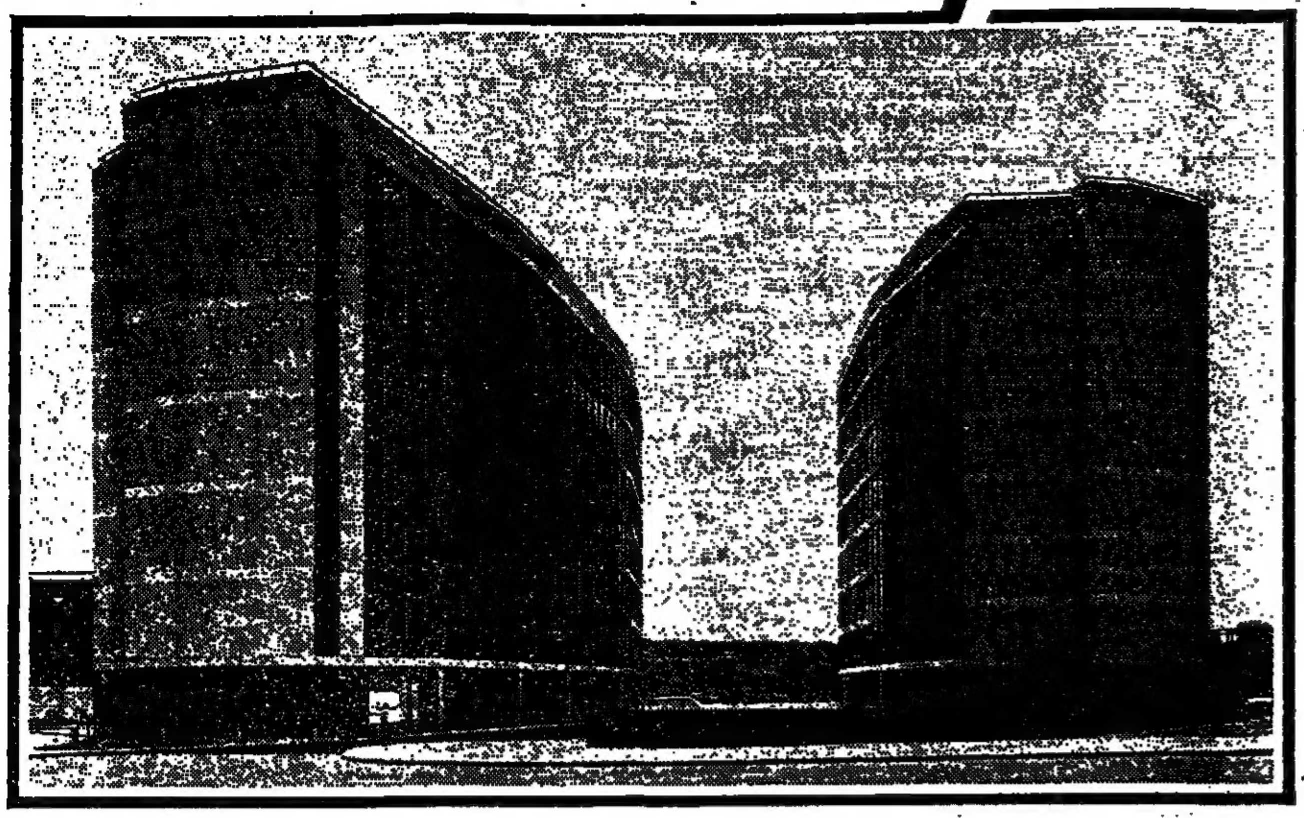

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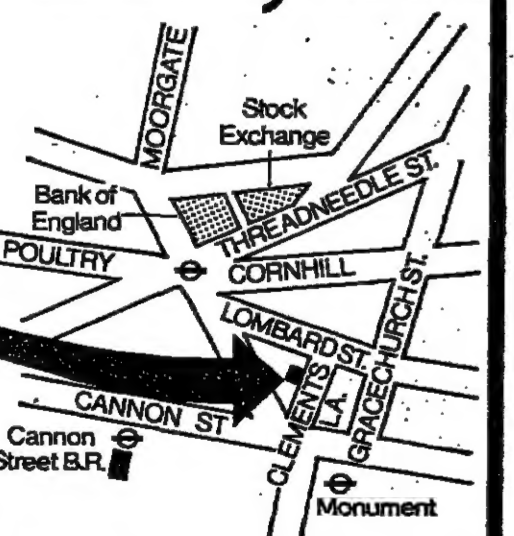

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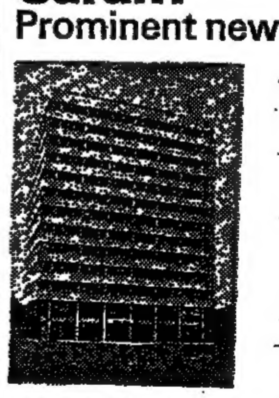

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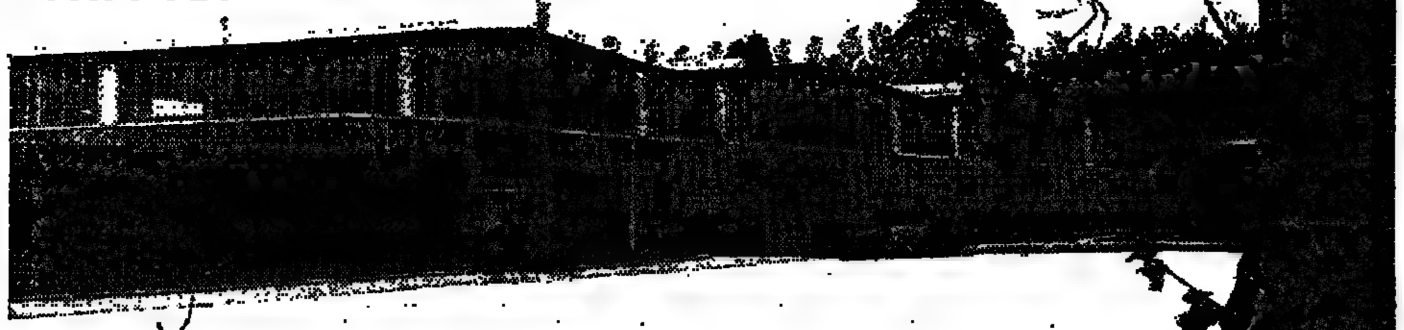

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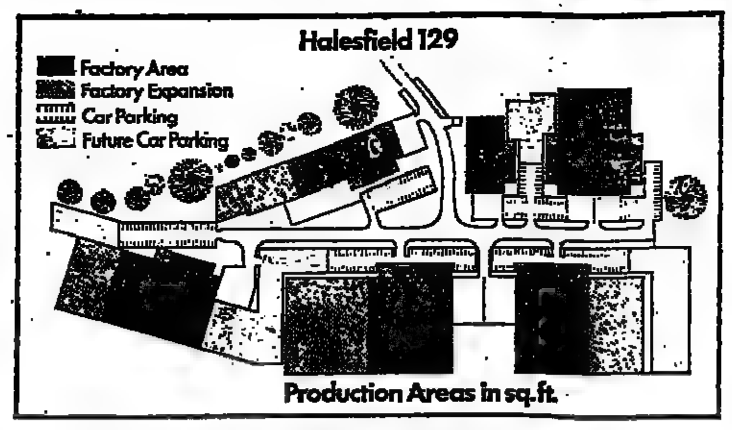

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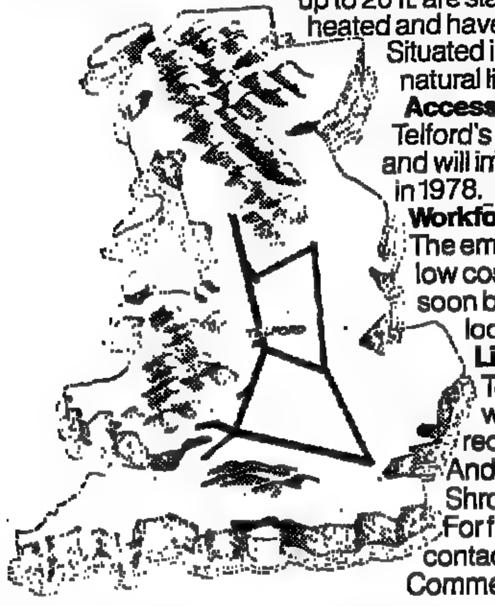

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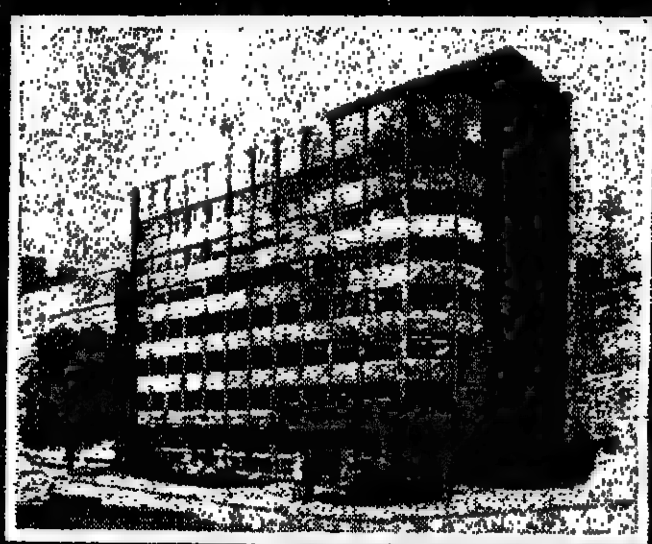

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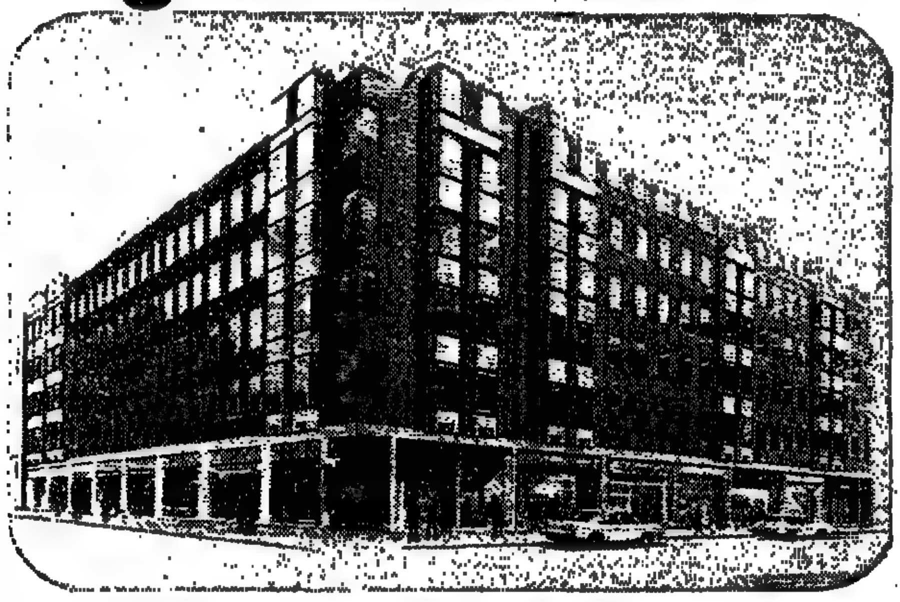

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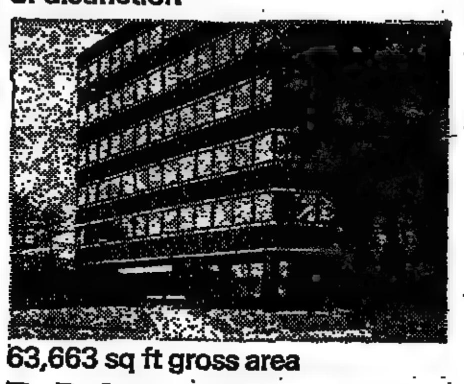

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LABOUR NEWS

Arbitration body declines £6 pay scheme role

BY JOHN ELLIOTT, LABOUR EDITOR

THE GOVERNING council of the Advisory Conciliation and Arbitration Service has decided that it should not be expected to jeopardise its independence by being given the responsibility for interpreting or enforcing the Government's new £6 a week pay policy.

Instead, CBI and TUC leaders on the Council, who include Mr. Jack Jones of the Transport Workers, have agreed that the responsibility for policing the policy would be fully shouldered by Mr. Michael Foot's Department of Employment as envisaged in the Government's Remuneration, Charges and Grants Bill published on Wednesday.

Under the Bill, Mr. Foot has the responsibility for determining which pay rises exceed the £6 limit. He is also expected to be statutorily responsible for dealing with defaulters under the Reserve Powers Bill which has been prepared by the Government but has not yet been published.

But the ACAS decision leaves unresolved the question of how the day to day operation of the policy should be shared between the Department, the CBI and the TUC at a time when the Government and union leaders are anxious to emphasise the voluntary rather than statutory aspects of last Friday's White Paper.

One idea now being considered is that the CBI and TUC should individually try to influence their members behind the scenes on individual pay claims leaving vetting of settlements solely to the Department.

No exceptions

The White Paper, however, suggested the creation of a joint CBI-TUC machinery to sieve cases of "serious difficulty" and to decide which should be passed on to the ACAS for arbitration.

But the Government has made it clear that there should be no special cases and the decision of the ACAS council means that it does not want to be at the receiving end of a special-case pipeline. Neither does it want to be involved in any way in a Pay Board style of vetting operation although it would not rule out some genuine case of difficulty as opposed to special pleading being passed to it.

Any final decision by the council on a CBI-TUC link with ACAS arbitration services will, however, await further developments between both sides of industry and the Government on the operation of the policy.

In practice, this means that the ACAS will carry on with its normal conciliation work and will not formally turn away disputes just because they involve workers trying to push pay offers above the £6 limit. It will adopt a flexible approach to individual cases and, while being anxious to underline its independence of the Government, will probably stress to parties to a dispute that they should not go above the £6.

The ACAS may well take a tougher line, however, on its other function of organising arbitration in disputes. It seems likely to refuse to do this above the £6 level, although this has not yet been firmly laid down.

NUR chiefs agree to accept pay ceiling

BY JOHN WYLES IN ST. HELIER, JERSEY

LEADERS of the National Union of Railwaymen yesterday followed up their support for the Government's anti-inflation pay policy, pledged here on Tuesday, by agreeing to settle next year's railway pay claim within the new £6 wage ceiling.

After some sharp exchanges between Left- and Right-wingers on whether to make a formal claim following Tuesday's decision, the NUR conference decided by 67 votes to five to demand a "substantial increase" when negotiations with British Rail started next March.

Winding up the debate, Mr. Sidney Weighell, NUR general secretary, made it clear that the decision would be interpreted as meaning negotiations "within the framework of the White Paper."

Despite attempts by two militant delegates to arouse some feeling, the fact that the 2.5 per cent. rises to be paid to railwaymen on August 4 must be offset against the £6 ceiling next year aroused virtually no opposition.

During this week Mr. Weighell has deliberately played this down, describing it as "a grey area," although the NUR leadership is in little doubt that the money will have to be offset next year.

The NUR general secretary attacked two delegates who are members of the Communist Party and who had argued during the debate that Tuesday's policy decision by the NUR did not line up the union behind the Government. "It is a good job we don't interpret democracy within our union and within my party as you do in your party," he said.

Earlier, delegates heard a forthright attack on the Government for failing to devise a long-term strategy for the railways, coupled with a warning that British Rail would soon be fighting for its survival.

Making the attack in a one-and-three-quarter hour set speech and question-and-answer-session, Mr. Richard Marsh, BR chairman, did, however, give strong backing for the Government's anti-inflation policy which he said was "both courageous and broadly correct."

Defeat for the policy would be a tragedy "possibly even more damaging for ordinary working people than the economic collapse of the '30s." His claim that the organised worker "possesses more power than any other group in society" brought murmers of agreement from delegates who on Tuesday voted overwhelmingly to back the Government's policy.

Over the next two or three years the railways would be fighting for survival and, he went on, "axes are being sharpened at the present time and great big greedy eyes firmly fixed on the cost of the railways to the public Exchequer."

He recalled that in the past four and a half years no BR investment programme had survived unchanged for longer than six months, and claimed that BR's problem stemmed partly from the "fuzzy relationship between Governments and nationalised industries," which were now to be the subject of a special study by the National Economic Development Office.

Men and Matters, Page 16

White Paper snub as 500 walk out

By Our Own Correspondent

NEARLY 500 workers at a Nottinghamshire company were among the first yesterday to snub the Government's anti-inflation White Paper when they walked out over a pay dispute.

They are white-collar and hourly-paid workers at the light engineering Carr Fastner Company in Stapleford and Worksop, which employs a total of about 1,000.

The company offered a £6 a week increase in accordance with the White Paper and it would have taken effect from September, but this was rejected by the workers.

They are members of the Transport and General Workers' Union, the General and Municipal Workers' Union, and the Amalgamated Union of Engineering Workers.

A management spokesman said the men were acting unofficially and the company would try to get proper procedures re-established. One of the steps envisaged would be to contact the Engineering Employers Federation.

Negotiations for a new company pay agreement, which is to come into force on September 1, had started this week. The unions had not tabled a claim, the spokesman said, and he did not know what the men were holding out for. Union negotiators "had simply rejected the £6 offer."

Labour relations at the company were normally very good, the spokesman added. He thought the men stopped work because they were incensed at being expected to make do with £6 a week after millions of other people had had pa yrises of up to 30 per cent. earlier this year.

Air catering staff may return to work

A return to work will be recommended to some 370 striking catering workers of British Airways' overseas division at Heathrow Airport to-day.

The strikers, most of them Asian women, have been demanding pay parity with unskilled maintenance workers, better meal allowances and an allowance for servicing the DC 10.

Under the peace formula the parity claim will be left until a general regrading exercise later, the pay aspects of which will be implemented only when Government policeis permit.

Overall, a British Airways spokesman stressed, the strikers will not be offered anything that could conflict with the Government's new counter-inflation strategy.

Ten ships idle as crane men meet over £10 claim

BY OUR BRISTOL CORRESPONDENT

TEN SHIPS were made idle at Avonmouth yesterday afternoon when 60 crane drivers stopped work to join a protest meeting over pay. The legality of an ultimatum that there would be no pay if they did not work is being challenged by shop stewards, who have asked officials of the Transport and General Workers' Union to seek new talks with the management.

The dispute is over a claim for £10 a week rise to cover the increase in the cost of living. The claim was made under a clause in the men's agreement which, they say, allows a review in exceptional circumstances.

Port of Bristol employers say they cannot afford it and that dockers' pay has largely kept in step with the rise in the cost of living.

Mr. Ernest Bristow, chairman of the Union Dockers Committee, said yesterday the employers had broken their word and forced the situation on the men. "We are in a ruthless situation," he said.

Port general manager, Mr. Gordon Lowery had earlier this week warned each docker by letter that the entire work force would be sent home without pay if they were unable to work through the action of one section.

SCOTS AMBULANCES BACK TO NORMAL

Most Scottish ambulance officers who have been answering only emergency calls during a dispute over pay decided yesterday to return to normal working.

The ojcers—from Edinburgh, Lothian, Fife and the Borders—took their decision at a meeting in Edinburgh.

Their decision leaves only Glasgow officers holding out against the new pay and grading structure which was accepted by a majority of national union delegates earlier this week.

Cash quandary for pickets

BY OUR DERBY CORRESPONDENT

STRIKERS at an engineering factory have been put in a quandary by a man who handed pickets £70 in £5 notes to persuade them to go back to work.

Describing himself as a "patriot," the unidentified man said the money represented the amount the strikers are claiming for several union members who lost a day's pay for holding a meeting during working hours.

He handed it over at the gates of S. Biggs, brewery engineers, at Burton-on-Trent, Staffs., leaving the 95 men—out for the past eight weeks—to decide to-day whether to accept it.

A strike committee spokesman said: "Acceptance of the gift could mean a compromise solution, but we don't know whether the men will want to take it or not because we don't know where it came from."

Judge finds against AUEW

BY CHRISTIAN TYLER, LABOUR STAFF

THE HIGH COURT has ruled for the second time in just over a month that the Amalgamated Union of Engineering Workers has misread its own rule book.

In both instances cases have been brought by Right-wing local officials of the union, and both times the same judge, Mr. Justice Walton, has found against the AUEW leadership.

Yesterday the judge decided that the union's national executive was wrong to order a second ballot for elections for the post of divisional organiser in East Anglia, having declared the winner of the first ballot elected.

The executive ordered a second ballot because of complaints that ballot papers were late or undelivered. In the second count, Communist Mr. Ronald Halverson emerged the victor after his moderate rival, Mr. Edward Brown, had been declared the winner of the first election.

Mr. Justice Walton, granting an injunction to Mr. Brown pending final judgment or a further order, said there appeared to be no rule allowing a second ballot once a winner had been declared elected unless some very serious factor emerged.

In the main case, Mr. Brown will be challenging rulings against him by the union's final appeals court. Meanwhile, the union cannot remove him from his post in the division. He won an earlier interim injunction in March.

Yesterday's judgment follows injunctions awarded to Right-winger Mr. John Weakley from South Wales, who challenged the union over its controversial decision to abolish postal balloting for elections—a system much criticised by the Left.

Mr. Justice Walton ruled that AUEW president Mr. Hugh Scanlon did not have the right to a casting vote when he broke a tie at the union's rules revision meeting earlier this summer.

The AUEW has not yet decided whether to proceed to the full hearing of the Weakley case—apparently because it still has not received full copies of the interim judgment.

PARLIAMENT

MPs probe reserve powers mystery

LEADER of the Commons Mr. Edward Short yesterday refused to let MPs see the Bill containing reserve enforcement powers before next week's big debate on the Government's anti-inflation proposals.

"I don't think any useful purpose would be served . . . this Bill is not part of the White Paper," he told Tory MPs.

He had been challenged by Opposition Leader, Mrs. Margaret Thatcher to let MPs have "a sight of the Bill" before they debated the White Paper.

Mr. Short said that the White Paper "referred" to the reserve powers. He went on, to sceptical shouts from Tory backbenchers, "We hope it will not be necessary to introduce it. But if it is necessary it will be introduced."

But Mrs. Thatcher again complained that they should at least see a draft of the Bill.

There were more angry shouts from the Opposition when Mr. Short said: "It is not part of the anti-inflation plan and there is no intention of putting this Bill through the House at present—I hope there never will be."

Liberal Leader, Mr. Jeremy Thorpe, also urged the Government to let MPs see what the reserve powers were. "For many of us this is highly relevant to the view we take on the White Paper and the Bill next week."

Mr. Short replied: "I think everyone knows what the Bill contains."

Later, replying to Mr. Peter Walker (C., Worcester), Mr. Short agreed to tell the Prime Minister what Mrs. Thatcher and Mr. Thorpe had said.

Mrs. Audrey Wise (Lab, Coventry S.W.) said many Labour MPs were "completely dissatisfied" with the notion that they could accept something "sight unseen."

She suggested the House might be recalled during the summer recess. "It will be completely unsatisfactory for us to rush back to hastily pass a Bill, or consider it, when we have not seen it."

Shadow Leader of the House, Mr. John Peyton, suggested Mr. Short should make a statement to-day on the matter. He found it difficult to accept the "novel doctrine" that a document was not a State document until it had been tabled.

Mr. Short promised to pass on the feelings of the House to the Prime Minister. He could give no undertaking to make a statement to-day.

Little impact on borrowing

OBSERVANCE OF the £6 limit on wage and salary increases will make little mipact on the public sector borrowing requirement, MPs were told yesterday.

Mr. Edmund Dell, Paymaster-General, stated in a Parliamentary written reply: "I estimate that the £6 limit will not significantly change the forecast public sector borrowing requirement for this year, since the consequent reduction in public expenditure is likely to be broadly offset by the reduction in tax receipts."

In a further answer, Mr. Dell stated that strict adherence to the £6 limit would enable the Government to meet its price target of a year-on-year increase of 10 per the third quarter of 1976, procent. in the retail prices index by vided there was no major surge in import prices over which it had no control.

"On this assumption," he stated, "the purchasing power of the pound will be about 91p in the third quarter of next year compared with its value in the third quarter of this year."

Complaints procedure speeded up

THE GOVERNMENT was defeated in the Lords yesterday on the committee stage of the Sex Discrimination Bill. Peers voted 85-43 in favour of an amendment aimed at speeding up examination by the Education Secretary of sex discrimination complaints.

Lady Seear (L.) said that under the Bill, the Minister had four months to consider complaints. Her amendment, reducing this to two months, was accepted.

Lady Seear cited the example of a girl student refused admission to a technical drawing course on the grounds of her sex. "By the time a decision was made she could have given up hope and taken up embroidery." she declared.

No breach of privilege, says Speaker

ALLEGATIONS that the Government's recommendation for MPs pay had been leaked to the Press was not a breach of privilege, the Speaker, Mr. Selwyn Lloyd ruled yesterday.

He said: "While I am not expressing any general opinion as to leakages of information and rules of privilege I do not think this case justifies taking precedence over the orders of the day."

No . . er I mean Yes

BY PHILIP RAWSTORNE

MR. EDWARD SHORT, tripping over a Commons question laid for the absent Prime Minister yesterday, was none too gently picked up and dusted down by *Labour as well as Tory MPs.*

Was he satisfied with the Government's progress in implementing the Queen's Speech programme? Mr. Tim Renton (C., Mid-Sussex) demanded.

"No. sir." Mr. Short replied firmly—then peering more closely at his papers as the Tory backbenchers exploded in laughter, he recognised his mistake. "The answer is yes. sir." he said.

Mr. Renton professed to some disappointment that Mr. Short had not stuck to his original and "unusually frank and honest" reply. And so did a number of Labour backbenchers.

"Surely you read the right answer first," said Mr. Eric Heffer, the former Minister of State for Industry. "We have retreated from the original proposals because of pressure from the CBI, the City of London, and the Tory party."

Mr. Heffer demanded assurances that the Government would now stand firm against the calls to abandon its nationalisation measures.

For once, Mr. Short stood shoulder to shoulder with him. There had been no retreat, he protested, merely a slight adjustment of position.

But Mr. Short was kept on the hop—placating Mr. Roy Hughes (Lab., Newport) with the promised public ownership of the ports; soothing the anxieties of Mrs. Rene Short (Lab., Wolverhampton NE) about mounting unemployment.

The prevention of unemployment was basic to the whole existence of the Labour party, he declared. . . . "But, the overriding consideration is to cure inflation, the biggest cause of unemployment."

Hadn't the Queen's Speech mentioned something about doing that through the social contract? Mr. Robert Adley (C., Christchurch) demanded fiercely.

"The Prime Minister, in putting forward that cure-all, either perpetrated a deliberate fraud on the electors or was guilty of a stupefying level of political naivete," said Mr. Adley. "Which was it?"

Mr. Short retorted: "The social contract is still very much alive." And as the Tories jeered and his own backbenchers remained mournful, he promised them that they would see it in operation again over the next few months.

A wilderness—unless we beat inflation, says Wilson

BY JOHN HUNT

A WARNING that Labour's programme of the last two General Elections will be "swept aside" unless inflation is conquered, will go out to-day from Mr. Harold Wilson.

In the latest issue of the party newspaper, *Labour Weekly*, published to-day, the Prime Minister appeals to the party rank and file in the country to back the Government's new anti-inflation programme.

"The reality of the present crisis must not be underestimated by anyone," he says.

The party fought the last two elections on a programme concerned with the need for basic changes in the social and economic structure of the country.

"That programme remains our primary objective," the message continues. "But unless we can save the economy from the convulsions of an ever increasing inflation that programme will be swept aside with much else in our democracy."

In an implied warning against the activities of Left wing extremists, he emphasises that Socialism cannot be built on a calopsed capitalist system. A collapse brought about by inflation would mean "a terrible devastation in which the weakest, the poorest, the unprotected will suffer most."

He conjures up the memery of Europe in the twenties and thirties as an example of what happens when inflation is rampant and he presents this as proof that a Socialist programme cannot be developed in such a situation. It would merely result in "a wasteland of the locusts."

The message goes on: "We are not going to build a better Britain, a Socialist Britain, on a wilderness of bitterness, unemployment or a return to the fearful social distress which many of us still remember from the years before the Second World War. But unless we can conquer inflation the nthat is the prospect before us—perhaps much worse."
JL3 He/worse 48 minion

Outlining the Government's new anti-inflation package he cautioned that it will not mean that prices cease to rise immediately.

"Of course prices will still go up. Increases already in the pipeline cannot be stopped and they will work their through the system. But if we can hold wage increases to the new limit in the next year, then I believe we will have turned the corner."

Hayward urges Labour Party to tolerate differing views

BY JOHN HUNT

A CALL for tolerance and understanding for differing views within the Labour Party is made by Ron Hayward, the general secretary, in a reply to the joint secretaries of the newly-formed Social Democratic Alliance who wrote to him about the case of Cabinet Minister Mr. Reg Prentice.

The original letter from Mr. David Carlton and Mr. Stephen Haseler described the attempt of the Labour Party Executive in Newham N.E. to remove Mr. Prentice as their MP as "symptomatic of a growth of extremism without parallel in the history of the Labour Party."

Mr. Hayward, in his reply published yesterday, says that historically members of the party had displayed commendable restraint towards each other, a recent example being the referendum campaign.

"If wedo not all continue to show this tolerance and to display a historical comradeship towards each other then our party will very quickly cease to exist," he declares.

He says that he regared it as a failure of communication if disciplinary action had to be taken against any member of the party. The National Executive Committee was charged with seeing that the constiution was observed but he hoped that this would be done with "tolerance and understanding." He also anticipated that all members of the party would continue to practise what they preach — "tolerance and understanding towards each other and an agreement to disagree."

At the same time they should accept the democratic procedure of majority decisions while retaining the individual right to persuade their comrades to a particular point of view by reasoned argument.

"The Labour Party has always embraced varying shades of opinion which subscribe to democratic socialism and a system of democratic government," he stresses.

The Social Democratic Alliance, a group of Labour moderates, embraces Labour councillors, trade unionists, former Parliamentary candidates and constituency party officers.

Immigrant smuggling 'wildly exaggerated'

PRESS REPORTS that 1,500 illegal immigrants were smuggled into Britain in the first quarter of this year were "a scandalous falsehood." and "wildly exaggerated," Mr. Alex Lyon, Minister of State, Home Office, said in the Commons yesterday.

He was replying to Mr. Carol Mather (C. Esher) who said the figure of 1,500 was far higher than the public was led to believe, and was about a quarter of the total number of immigrants admitted to Britain in the first quarter.

Mr. Mather said that at a time of high unemployment this was scandalous, and called on Mr. Lyon to make representations to countries harbouring immigrants, or which acted as headquarters for smuggling organisations.

Mr. Lyon replied: "That report, contained in the Sunday Telegraph three weeks ago, was a scandalous falsehood. It is not true, and there is no basis in fact for the assertion that there is a Home Office report, or that there was any estimate of a figure for illegal immigrants. By its very nature, there could not be.

Sheldon promises VAT review

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

OPPOSITION pressure yesterday secured last-hour Government assurances on the Finance Bill of a further look at the impact on a number of industries of the new 25 per cent. higher rate of VAT.

As MPs in the Commons debated the final stages of the Bill, now due to go to the Lords for formal assent, Financial Secretary, Mr. Robert Sheldon, promised to review the effects of the additional rate.

Between now and the autumn he hoped to be in a position to assess what should be done to ensure minimal anomalies in the operation of the VAT.

But he rejected an Opposition attack on the 25 per cent. rate which, Tories contended, was a move towards a multi-rate system involving a value judgment on what goods and services should suffer a heavier tax burden than others.

It was a duty of the Commons to make value *judgments* and it was being done each day by MPs, Mr. Sheldon maintained. What was needed, in his opinion, was to keep anomalies to a minimum.

These assurances and the "fringe" concessions offered by the Government during hte course of the Bill to meet some of the anomalies, did little to placate the Opposition.

Sir Geoffrey Howe, "shadow" Chancellor, reiterated the Tory commitment to restore as far as possible the "simplicity of a single-rate VAT."

The additional rate had already proved as disastrous as the Tories had warned would be the case, said Sir Geoffrey, and he further condemned the procedure adopted by the Government for introducing amendments to the VAT schedule concerned by statutory Order rather than bringing changes forward as amendments to the Bill.

No. 10 Press salary costs cut to £51,000

FINANCIAL TIMES REPORTER

IN A written reply in the Commons yesterday the Prime Minister stated that the estimated salary cost of the Press Office at 10. Downing Street for 1975-76 is £51,000.

He said the average number of staff employed in the Press Office for each of the past ten years ranged from six in 1965-66 to 11 through most of Mr. Heath's period of office as Prime Minister, but in 1974-75 had fallen to nine.

Mr. Wilson pointed out that if no reduction had been made in the staff employed in March 1974, when he returned to No. 10, the salary costs for 1974-75 would have been £61,000 (compared with an actual figure of £53,000). while the current salary costs would be about £70,000.

He denied that any proposal had been made to extend the staff of the Downing Street Press Office and explained that the new Counter-Inflation Publicity Unit would serve the Government as a whole.

When asked the estimated annual budget of the new unit, the Prime Minister answered that it had still to determine the requirements of the situation and no estimate had yet been made of its financial needs.

The rate of remuneration of Mr. Geoffrey Goodman, seconded from the Daily Mirror to take charge of the new unit, was still under discussion.

Mr. Charles Birdsall, switched from the Downing Street Press Office to the post of deputy director, received the salary appropriate to his grade as a senior member of the oGvernment information service, which was at present £11,360 a year.

Short hopeful on commodities

THE GOVERNMENT'S aim is still to secure a broad and comprehensive approach to commodities trade on the lines suggested by Mr. Harold Wilson at Kingson, Jamaica, Mr. Edward Short told the Commons yesterday.

The Government was satisfied with the progress towards commodity agreements. "We hope there will be a constructive debate on commodities at the seventh special session of the UN General Assembly in September," he added.

National CID force rejected

HOME SECRETARY, Mr. Roy Jenkins yesterday turned down suggestions from MPs for a national force of detectives to fight crime. "I do not believe it would be right to separate the CID from the police as a whole," he said in the Commons.

Price curb subsidies for power industries

By Harold Bolter, Industrial Editor

THE GOVERNMENT is to pay £257.6m. to the electricity industry in compensation for price restraint imposed on it during the 1974-75 financial year. At the same time, the British Gas Corporation will receive £42.3m.

In each case the compensation will wipe out the deficits which the two industries will be announcing in their annual reports next week.

Although the Government has expressed its determination to phase out subsidies to the nationalised industries completely by the end of March next year the compensation payments to electricity and gas are, in fact, higher this year than they were in 1973-74.

For 1973-74 electricity received £176.3m. from the Government (£81.3m. less than in 1974-75) and the Gas Corporation £41.5m. (some £800,000 less).

The compensation announcement was made by Mr. Anthony Wedgwood Benn, Secretary for Energy, in a written Parliamentary answer yesterday.

The Government is hoping that because of recent price increases or plans for rises now in the pipeline, both electricity and gas will come close to breaking even during the current financial year.

Since the Budget, basic domestic electricity tariffs have increased by 28½ per cent and there has also been an advance of 6½ per cent. as a result of the industry's automatic fuel cost adjustment mechanism.

As a result, the Government expects that the electricity industry will not record more than a small loss during 1975-76.

The British Gas Corporation has an application before the Price Commission at the moment for an average 20 per cent. price rise to take effect from this autumn.

If the application goes through, the Government believes that the gas industry should break even this year.

U.S. to see Magna Carta

BOTH HOUSES of Parliament yesterday decided to lend the Magna Carta to the U.S. for a year.

They agreed to ask the Queen to direct that one of the two original copies of the document, dated AD 1215, should be loaned to Congress to mark the 300th anniversary celebrations of the U.S.

Cash aid in the balance as NVT shows new models

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

WITH AN EYE TO the expected announcement on the future of Government aid to Norton Villiers Triumph, the motor cycle company yesterday made a vigorous effort to win support for its financial demands with a show in London of three prototype machines.

If the company was not granted the money it needed none of the models was likely to see the light of day, said Mr. Dennis Poore, chairman of NVT.

The Government must be made to "appreciate what a valuable asset the country has in this industry and what a tragedy it would be if it were lost together with the 10,000 jobs of the people employed."

NVT has estimated that to create a viable motor-cycle industry at three different factory locations—as at present—would demand in the region of £40m. The question is now whether Mr. Eric Varley, the new Industry Secretary, will be amenable to further support to the industry (which has already had in the region of £10m. plus other Government guarantees) on this scale.

Yesterday, Mr. Michael Heseltine, Shadow Industry Secretary, added force to the growing rumour that the Government will be reluctant to make further aid available when he expressed his doubt at the NVT meeting that the Government will shore up the three factory system.

Mr. Varley is at present waiting for the final touches to be put to a report on the industry by the Boston Consulting Group, of London. On the basis of this, he will make the tricky decisions on the future of the industry, which at present embraces the two factories under the wing of NVT, plus the Meriden Co-operative which sells its Triumph Bonneville machine to NVT for distribution.

Workers within NVT have the threat of a three-day week hanging over them because of the dramatic down-turn in the American market this year. But in the longer term there is also a pressing need to introduce a new range of machines which will supply the volume needed for the three factory system.

Hence the show of prototype models yesterday—highly unusual in the motor industry—to demonstrate that NVT has plans which could justify more Government investment.

Mr. Michael Heseltine, MP (left), and Mr. Dennis Poore, chairman of NVT, with Prototype 125 lightweight motor-cycle.

The largest machine was a new 750-cc superbike—the Norton Challenge—which is being developed for the racetracks this year. Describing it as a "big event in the British motor cycle industry, the first of its kind for 40 years," Mr. Poore said it was intended specifically for quantity manufacture.

Also on show were a 125-cc lightweight machine and a 50-cc moped.

Midlands redundancy warning

BY OUR MIDLANDS CORRESPONDENT

IF THE Ryder Report on British Leyland helps to match U.K. vehicle manufacturing productivity with that of European producers, redundancies in the West Midlands — where the biggest impact of Ryder will be felt—could run to 100,000.

This assessment is made by the West Midlands Economic Planning Council in a letter Mr. Quinton Hazell, its industrial chairman, has sent to Mr. Denis Healey, Chancellor of the Exchequer.

After pointing out that one-third of short-time in the country is being worked in the West Midlands, Mr. Hazell singles out inflation as the biggest single problem.

The most serious regional issue was that of British Leyland, which was more numerously represented than in any other region, while the West Midlands was also closely identified with the fortunes of the motor industry as a whole.

"It is here that the full repercussions of the Ryder recommendations will be felt," Mr. Hazell writes.

"It is by no means beyond the bounds of possibility that if vehicle manufacture in this country is raised to a level of productivity comparable with the performance of its foreign competitors, as indeed it must be if the industry is to survive, we could be faced with redundancies in the West Midlands running into six figures."

The Executive's World

EDITED BY JAMES ENSOR

MARKS AND SPENCER

Tiptoeing into Canada

BY ELINOR GOODMAN

IMAGINE A Marks and Spencer shop with changing rooms, piped music and models in the window and you have some idea of what sacrilege is being committed in the name of St. Michael 4,000 miles away in Canada. Going into one of Marks and Spencer's 24 Canadian stores is like playing the children's game of spot the difference. At first sight they look just like any one of the company's smaller branches in England. Looked at more closely the differences emerge: carpet on the floor, slightly gaudier merchandise, coloured walls and notices saying Marks accepts credit cards, to say nothing of the piped music and changing rooms which are being tested in two selected shops.


Canadians have found the typical stark Marks layout too clinical

Marks and Spencer's Canadian venture, which this week goes a stage further with the company's formal offer to shareholders of Peoples Department Stores, proves that St. Michael is a flexible hero after all. Whereas in its first two excursions into Europe, Marks has done little more than transplant its English operation—staff and all—to the other side of the Channel, in Canada the company has tempered its style of operation to suit the local market in a manner which may well be followed by those running the French and Belgian operations. The company has not deserted its basic philosophy but it has modified it in a way which is surprising to those who have judged the Marks' overseas operations merely on the basis of the early days of its European venture.

Exporting

As one of the local Canadian managers says, "Marks tiptoed into Canada." The company began exporting to Canada as long ago as the 1950s. Among its export customers was Peoples Department Stores, a Montreal based department store group with a turnover of $72m. and an assortment of 100 shops trading under the names of Walkers, Peoples, and Smiths of Windsor.

Then in 1972, the company decided it wanted closer control over its export operations and formed a joint company with Peoples, which by this time had Mr. Jim Slater as a minority shareholder. The joint company—St. Michael Shops of Canada — opened several small shops under the name of St. Michael in much the same way as some importers of St. Michael merchandise in other countries have set up self-contained boutiques. The first store large enough to justify the name Marks and Spencer was opened in Toronto in 1973, looking exactly like an English Marks, and then last November Marks decided to bid for a majority stake in Peoples.

The bid, which will give Marks 55 per cent. of the equity in Peoples, will cost around £10m. in total. The company already has 25 per cent. of the shares and last week sent out an offer for a further 30 per cent.

The joint company now has 24 shops spread right across Canada, four of them sited within Walker department stores. Most of them are far smaller than any British store with an average floor area of only 8,000 square feet. (The newer shops are around 15,000 square feet.)

When Marks and Spencer first started opening shops under its own name in Canada, it tried to do a virtual transplant of its U.K. operations. The store in Yonge Street, Toronto, was modelled meticulously on an English branch—so much so that recently arrived immigrants to Canada were moved to tears by the familiarity of it all. The merchandise was all good solid English stuff, and little allowance was made for the fact that the store was in Toronto and not Tottenham. The store, which is in a prime site, has done moderately well after a slow start, but it has taught Marks that it could do better if it modified it operation to the peculiarities of the Canadian market.

Models

In its newer stores, Marks has been more adventurous. In another store in Toronto, for example, it has used models in the windows and in another it has experimented with changing rooms. The big lesson Marks has learned is that the typical stark Marks layout is too clinical for Canadian taste, suggesting not quality but a discount store, and the management is now looking for ways of giving the stores a warmer appearance—carpets, lower ceilings and coloured walls, for example.

To most Canadians, Marks and Spencer is a pretty strange animal. Neither a discount store nor a department store, it does not offer the enormous variety of lines which most Canadian retailers sees as a prerequisite of success. Whereas one of the big department store groups like Eatons or Hudson Bay will offer, say, 45 styles of women's blouses, Marks and Spencer is content with 15.

To English eyes, the Canadian retail scene, in its turn, looks strange. For a population of 22m., Canada is basically overshopped by English standards with at least one department store in towns which in England would not merit more than a small supermarket.

Marks is not claiming to cut prices in Canada though it does, of course, claim that it offers better value for money than its competitors. Gross margins are considerably higher than in England because of the higher operating costs — shopworkers' wages alone are almost double those in England — and by English standards, the prices look high. An English made pair of pyjamas, which would sell for around £4.30 in London, sell for nearer £6 in Toronto.

Pyjamas

In time, however, a far higher proportion of the merchandise will be made in Canada, thus reducing costs. (The same pair of pyjamas made in Canada would sell for around £5.) To get clearance for its bid for Peoples from the Canadian Government, Marks had to promise to get a substantial proportion of its merchandise manufactured in Canada, but even without this condition, it is likely that the company would prefer to use local suppliers.

Canadians, as Marks has discovered by trial and error, have markedly different taste in clothes to the English. They like much brighter clothes than the sombre-minded British and generally disdain heavy-weight sweaters. Indeed many of the clothes sold in Canada would be considered frankly bad taste in England and regular Marks and Spencer shoppers would be appalled at the gaudiness of some of the Canadian designs—T-shirts, for example, with what look like colour photographs on the front.

Food

At the moment Marks is selling a fairly limited range of clothes and accessories in Canada. As yet, for example, it has not tried selling coats in Canada but it is likely that in the future the range will be expanded to cover most of the product categories sold in England —a food department, for example, is likely to be included in some of the larger new developments though there are obvious problems in selling own-brand foods at competitive prices on such a small scale.

Assuming Marks gets shareholders' agreement for its bid for Peoples, its overseas operation will move into what may well be its most testing phase yet. For the first time in its history, Marks is taking over an established retain chain in a move which gives it a stake in such out of the way places as Thunder Bay and Guelph.

Peoples has had an odd assortment of shops, not all of which by any means are suitable for concerting into Marks and Spencer branches. The 48 Walker shops are the most obviously compatible. Situated in Ontario, most of them have a sales area of around 20,000 square feet. They have a reputation as a good, middle of the road department store chain and have been selling St. Michael goods for the past five years. The jointly owned St. Michael Shops of Canada has been operating out of the Walker offices since it was formed and the two groups already share some other common facilities.

Though Marks and Spencer is still wary about committing itself to any specific plans for Walkers, it would seem likely that most of the Walker stores will be converted to Marks and Spencers over the next few years and already one small Walker store near Toronto is being stocked largely with St. Michael lines. (Some of the Walker accessories, like jewellery have also been retained).

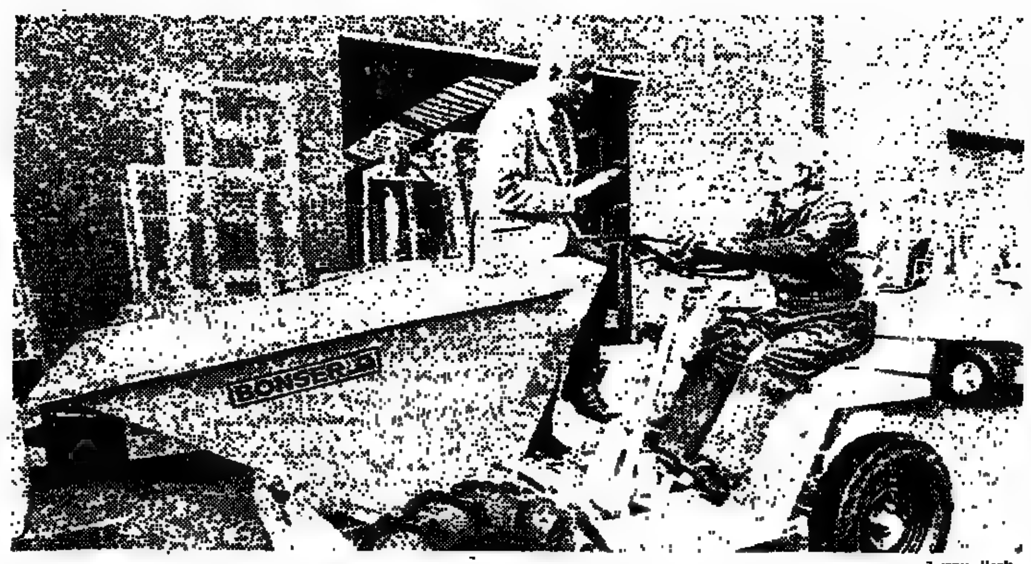
The other main department store chain in the group — Peoples — operated in Quebec and has a rather scruffier image than Walkers. An old fashioned variety store chain, it seems unlikely that Marks and Spencer would want to be publicly associated with its shops in the way it has allied itself with Walkers.

St. Michael Shops of Canada also owns a chain of women's dress shops, trading under the name of D'Alliard's. The group was acquired largely because Marks wanted to get its hands on a particularly good store site in Montreal but the deal also gave the company a chain of profitable, well run dress shops which will probably be allowed to continue trading without much interference from Marks.

Bonser has a welder on its Board and record profits. James Ensor found that it works despite cries of

"When do you get your limousine, Jack?"

MR. CARL DUERR has had an amazing career as a "turnaround" man. An American by birth, he has lived in Europe since he arrived at the end of the war to direct the reconstruction of Austrian industry. His subsequent career took him through such unusual asignments as the German jeweller's chain which revalued all its unsold stock at the end of each year on the grounds that it was now more "sales ready." His most famous position, as managing director of Jensen, saw the company recover from huge losses to a point where it could be sold to another American Mr. Kjell Qvale as a profit-making concern.



Mr. Carl Deurr, chief executive of Bonser, talking to the welder Board member Mr. Jack Stirland. Terry Kirk

Mr. Duerr joined Bonser Engineering as chief executive after a chance meeting with its chairman Mr. Greensmith on a train. Greensmith was already an admirer of Duerr's approach through reading his book "Management Kinetics." In it, he expounds his belief that successful management depends upon good communications at all levels, but particularly between the boss and the workforce.

Duerr put his theories to the test at Jensen: on one occasion he had the amusing experience of watching Jensen fitters selling cars to customers at the London Motor Show, whilst their colleagues from the same union were picketing the Lotus stand next door. But unlike Jensen—where there were problems of underpricing and low productivity — Bonser presented the ideal case of a company where almost everything was right apart from communications.

Pit-props

A manufacturer of pit-props in the midst of the Nottinghamshire coalfields, Bonser found itself deprived of its major product as a result of IRC inspired rationalisation of suppliers to the Coal Board. Fortunately, the chairman had appreciated the application of Bonser's skills in hydraulics and heavy welding to the manufacture of fork lift trucks, so the company had a substantial—if barely profitable—business to fall back on. But in 1970, on a turnover of £2m., Bonser made profits of a mere £130,000, and three quarters of that was derived from interest on the money paid by Dowty for the pit-prop business.

When Duerr arrived, he found the company faced a 62½ per cent. labour turnover in a six month period. Men were leaving for a television assembly plant up the road which paid £1 an hour against the 60p at Bonser. The product, always popular because of its low pricing, had a 10-month order book. But production and spare parts provisioning were so poor — there was literally no production system and no parts list, vehicles were sometimes stripped out and rebuilt on the shop floor to adapt them to customer orders.

Duerr, who was hired initially as a consultant, announced after three months' study that he was wasting his time because there was nobody at the company who would be able to put his recommendations into effect. As he says ruefully "I either got myself fired or hired." After being hired, he immediately set to work to get to know everybody in the plant and to inspire them. As one of the employees remarked "He sorts out everyone's matrimonial and financial problems —I don't know where he finds the time."

The time comes, actually, from arriving at work any time between 6 and 6.30 and leaving after dark. For Duerr, whose home is still in Munich, weekdays means working at the plant—although he does snatch a few hours at mid-day to sunbathe by the pool at his motel. His empathy with the staff at all levels and their respect—indeed admiration in many cases—for him is evident as he talks to one man about judo, another about his wrenched knee, a third about his work on a new prototype.

The results are evident in the balance sheet. From a first half profit of only £28,000 in 1972, Bonser has moved steadily ahead to £206,000 this year—against a background of weakening demand in its major construction and agricultural markets. Production has quadrupled over the same period, largely through better output from the existing facilites though Bonser has acquired Brough Superior—as a component supplier and Bristol Pneumatic, which makes compressors.

Motivation

Clearly the installation of a proper production control system, instead of the haphazard process of building 28 different models without any planning system has a lot to do with the improvement. But Duerr himself attributes much more to the improved atmosphere and communications within the plant. The necessity for supervision, to take one example, has been much reduced by the men's own motivation: and supervisors now work alongside the men at production jobs.

Regular talks to the men who Duerr calls "the troops" started in the works canteen, from the very first day. A class-room was converted out of part of the kitchen where the top 50 men in each of the four companies have been given lessons on product planning and marketing — necessary enough in a company which was used to taking orders from a single, regular customer.

A supervisory board with a co-opted representative from the shop-floor was another Duerr innovation, achieved despite some opposition to the idea from other Board members. The Supervisory Board, including Jack Stirland, a welder and the managing directors of the four component companies in the group, meets to discuss major policy matters —capital expenditure, acquisitions—to monitor managerial performance, co-ordinate the subsidiaries operationally and to agree budgets.

Mr. Stirland, an AEUW man who works as a charge hand in the service department was—like the other Board members—selected, not elected. Duerr insists that election would only produce a politician who put the workers' wishes above their needs: and for the moment, at least, they seem to agree with him. Stirland has been put through crash courses in accounting and management and in two years time will have to choose between remaining as a shop-floor Board member or opting for promotion into supervision and line management. At the moment, in return for a lot of hard work, he gets £100 director's fees and a free telephone at his home. He gets no car despite the taunts of his mates "When do you get your limousine Jack?"

As the shop floor representative, Mr. Stirland receives exactly the same material as all other board members, and participates fully in all decision-making. In addition, he contributes a shop-floor point of view in the framing of any new proposals and acts as a two-way channel for information.

In addition, Duerr himself calls all the troops together once every six weeks, or so, and talks about the entire status of the company, the national economic environment, and where necessary tips on how to read a balance sheet. Although he has never encouraged any of them to buy shares, several of the shop-floor men ask questions about recent letters to shareholders, indicating that they have invested their own money.

The principle of Supervisory Board and Consultation before any decisions are reached has more in common with Swedish ideas than the German. For as Duerr points out the managers of the subsidiary companies would not be permitted to serve on a German Supervisory Board—whose main function is to appoint and dismiss them. At Bonser, every Supervisory Board member becomes non-executive when he enters the Boardroom, and it is conceivable that he might be asked to leave if his own performance came under discussion.

Ballots

While the Bonser system draws on ideas from elsewhere it has been adapted to meet the needs of a small British engineering company, with several separate components. That it has helped to improve communication with and morale on the shopfloor can hardly be doubted. One example of the attitude of the men is that they regularly hold secret ballots over union instructions on matters like an overtime ban, and quite often vote them down. During the three-day week, they agreed to work three twelve hour shifts, with the result that output and profitability were virtually unaffected. Equally, they have responded to Duerr's initial substantial pay rises—which brought them into line with local rates—by being modest in their demands at a time of rapid inflation.

Bonser may not be a blueprint for other, larger engineering operations for so much of its success depends on Carl Duerr's own ability to motivate and communicate with people. Yet it does show what can be achieved to raise output and morale in a company, whose plant and machine tools remain to this day, well-worn and far from new. Bonser succeeds through hard work and low overheads.

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The choice in Portugal

THE WITHDRAWAL of the Popular Democrats from the Government in Portugal does not necessarily mark the end of democratic hopes in that country, but it is another turning point and perhaps the one that matters. The Portuguese are now close to dictatorship, but they are also close to anarchy. They may still just be close to the kind of democratic system which the majority of the population plainly wants. But they have very little time left.

Tactical

The Popular Democrats' withdrawal follows that of the Socialist Party a few days earlier. Between them these two parties won 64 per cent. of the vote in the elections for the Constituent Assembly last April. They have left the Government because they concluded there was no guarantee of the maintenance of democracy in present circumstances. The situation was quite clearly getting worse, not better. Even allowing for a high degree of emotion and frustration, their move was also tactical. It was meant to pose the question: does Portugal want a democratic system or not, and what is to be done about it?

The question is primarily addressed to the military. It is the Armed Forces' Movement (AFM) which holds power in Portugal, even if it does not know what to do with it. It will be the AFM which decides what happens next. There is no reason to believe that it is united: it is composed of Communists, near-Communists, self-seekers, technocrats, moderates, a number of people who would have been (indeed were) equally at home under Dr. Salazar, and others who have plainly not yet made up their minds. What it has not produced is a man capable of taking the entire movement and the country under his wing. This may yet be a hopeful sign, for until a leader emerges there is still everything to play for.

The AFM's Supreme Revolutionary Council has asked the Prime Minister, General Vasco Goncalves, to form a new government which excludes the political parties — the Communists, who won 12 per cent. of the vote in the elections, as well as the Socialists and the Popular Democrats. It would be made up of military men and technocrats, if they can be found to serve. It is quite possible that he will fail. It is even possible that it is intended that he should fail. General Goncalves is an unstable man and there have been some pressures to get rid of him. In any case, it looks as if there will now be a short period in which the new government is formed, or at least the attempt is made. It does not seem that if it is formed, it will necessarily be very stable. The hope must be that the Portuguese, and the AFM especially, will use this time to decide what they really want. The framework for a democratic system is already there in the Constituent Assembly. So is the popular support for the political parties. Government could be handed back to the politicians almost overnight. Whether the chance is taken depends largely on whether the moderates in the AFM assert themselves. They will have the opportunity when the full assembly of the AFM meets next week.

Isolation

The outside world can also have an influence, especially the European Community. The Heads of Government rightly decided at their meeting in Brussels yesterday to go ahead with talks with the Portuguese authorities, but to make economic and financial assistance dependent on the maintenance of a pluralist democracy. A meeting between the Community representatives and the Portuguese Foreign Minister is scheduled for next week. It should be spelled out quite unequivocally what this means. The European Community would welcome a democratic Portugal into the mainstream of West European thought and ways. The alternative is not only no democracy, but also isolation. The choice lies with the AFM, and it cannot be long delayed.

Signs of recovery in the U.S.

WITH THE news of a negligible drop in U.S. second-quarter national income, the signs that the U.S. economy is at last beginning to climb out of the depths of its recession are now beginning to multiply. This week Wall Street had already taken encouragement from two indicators in particular — the index of industrial production, the rise in which last month (though of only 0.4 per cent.) was the first since last September; and the drop in industrial stocks, which turns out to have been twice as large during May.

The index of leading indicators has been promising since the spring. The housebuilding and car markets, whose ramifications throughout the economy are especially widespread, have been notably more buoyant recently. While manufacturers' and wholesalers' sales have recently moved erratically, moreover, retail sales have been good—moving up by 2.7 per cent. during May.

Inflation rate

At the same time, the rate of inflation is down to half the 12 per cent. annual rate it reached at the end of last year and is officially forecast to run at under 7 per cent. over the next 12 months, while the balance of overseas trade—thanks mainly to a sharp drop in oil imports—has been in comfortable surplus over the past few months instead of the expected deficit. The hardening of the dollar against other currencies is evidence of a general feeling that the U.S. economic position has greatly improved, both on the domestic and the external front. The main persisting cause for gloom about the situation is the level of unemployment—still standing at 8-9 per cent. of the workforce.

It is true that while unemployment has remained high, actual employment has risen by over 500,000 in the past two or three months: in the U.S., as in this country, the crude unemployment figures have to be interpreted with some caution. But unemployment at its present level is undoubtedly a major social problem—a fact which helps to explain the lack of enthusiasm with which organised labour has greeted the Administration's celebration of the nascent business upturn and the split of opinion which is beginning to emerge among U.S. economists about the attitude which the fiscal and monetary authorities should now adopt. One camp, pointing to the size of the gap between production and productive potential and the relative slowness of the recovery predicted by officials, is calling for a greater stimulus to demand.

The other, more concerned about the inflationary implications of too rapid a recovery, is pressing for restraint. In practical terms, the argument centres on the size of the Federal Budget deficit and the extent to which it will be automatically reduced by higher tax revenue as the recovery gets under way. At bottom however, it is a dispute about the priority to be accorded to two possibly conflicting aims—a reduction in unemployment and a further reduction in the rate of inflation. If the recovery proceeds at the relatively slow rate—slow in relation both to the previous decline and earlier business recoveries—which is now generally expected, pressure on the Administration to take more vigorous action will undoubtedly increase, and Mr. Ford will be conscious of the fact that it is now only 16 months until the Presidential election. On the other hand, the risk of stimulating the economy greatly while inflation is still at a level high by the standards to which the U.S. was accustomed for many years may weigh heavily in the calculations of a President who has a strong chance of being returned for a further period of office. The course he chooses to steer will clearly have a major effect not only on trade conditions but on the course of inflation in the rest of the world.

Rhodesia: a problem defying peaceful solution

BY BRIDGET BLOOM

LAST January, before an invited audience of senior white Rhodesians and their ladies, Mr. Ian Smith declared that his Government had defied the world by remaining in power for ten years and would happily do so for another ten. His remarks were greeted with rapturous applause — even if some of his audience might have wondered privately whether this time "good old Smithy" was not overreaching himself.

For the Rhodesian Prime Minister was talking less than a month after he had agreed to the much vaunted southern African detente. To further this he had done the virtually unthinkable and released from prison the African nationalists long dedicated to the fight against white minority rule. It was clear, though never publicly stated, that Mr. Smith was acting under South African pressure, just as it was clear that the nationalists themselves, who had agreed to sink their decade-long differences to form a common front, were under pressure from Zambia and Tanzania. But so unprecedented were those turn-of-the-year events in the long history of racial strife in southern Africa that many believed a settlement of the Rhodesian problem was not only possible but imminent.

Limits of influence

It is easy, in retrospect, to see why detente failed. To start with, the strategy which produced last December's agreement on Rhodesia had been worked out by non-Rhodesians who failed to appreciate the limits of their influence on—and perhaps the intransigence of—their respective "clients." While both South Africa and the black African states concerned believed that detente would be in the interests of the whole of southern Africa, they championed it for self-interest too. That was especially true of South Africa, in that the Portuguese coup, which made it obvious that the Republic would soon be hemmed in by black states, caused a total reappraisal in Pretoria of its African policies.

Mr. John Vorster clearly calculated that South Africa's own survival in its present form could best be guaranteed by an eventual and if possible pliable black government in Rhodesia, and that this could be achieved by pushing Mr. Smith into peaceful negotiations with Rhodesian nationalists. For their part, the Presidents of Zambia, Tanzania and Botswana, as well as the leaders of Mozambique's Frelimo, had long realised that the brunt of a war against the whites in Rhodesia would be borne by them, with serious effects on their own *economic and political stability*. Their aim, too, was a peaceful transfer to majority rule through negotiations.

The trouble with this—it can now be seen—was that neither Mr. Smith nor the nationalists agreed with it, and the tale of the last seven months thus makes sorry reading. The Lusaka agreement in December, preceded as it was by dramatic and clandestine diplomacy across the racial line, has been implemented only in one important respect. The key nationalist leaders, Mr. Joshua Nkomo and the Rev. Ndabaningi Sithole, with about 30 of their followers, were released from prison and are still free—even if Mr. Sithole, whom Salisbury briefly re-detained, is now in exile. But many other nationalists are still in gaol (only yesterday Mr. Smith detained four more): there is no cease-fire in the guerilla war: there have been only the most cursory talks, between Mr. Smith and the nationalists, and a constitutional conference, which is what the agreement was all about, seems as far away as ever.

In some important respects, the situation has deteriorated. In December no one was more surprised that the Lusaka agreement happened than the detained nationalists themselves, who were catapulted from jail into State House in Lusaka and told that they were to form a united front. But, as the past few months have shown, their agreement to form a single party under the umbrella of the *African National Council* has failed to paper over their deep divisions.

The main reason is a struggle for power rather than ideology, although there are some differences over tactics. Mr. Sithole, for example, who led the former Zimbabwe African National Union (ZANU), maintained within days of the Lusaka agreement being signed that talks with the Smith regime would be abortive, since the whites had no intention of allowing African majority rule.

By contrast, Mr. Nkomo, the leader of the former Zimbabwe African People's Union (ZAPU), had some faith in detente, believing that South Africa might make Mr. Smith negotiate, while Bishop Muzorewa, the President of the original ANC and since December the new "compromise" President, was of the same general opinion.

But given that the Africans all agree that independence under black rule is the aim, these tactical differences take second place to the struggle for leadership, particularly between Mr. Nkomo and Mr. Sithole. From their initial break in the early 1960s, the two men have rarely seen eye-to-eye on anything. The problem of who will lead has been exacerbated as the prospects for independence appeared to improve and the question of who would be the President of a black Rhodesia assumed reality.

Although for the first few *weeks after Lusaka*, the two men and their followers worked uneasily together (their divisions were partly hidden by Mr. Nkomo's initial refusal to make public policy statements) the stark reality is that at no stage have the nationalists been in a position to formulate agreed constitutional proposals to put to Mr. Smith.

Mr. Smith and his Government have, of course, done their best to encourage the ANC's divisions: the charges against, and "trial" of, Mr. Sithole in March were undoubtedly one such ploy. But the ANC has been its own worst enemy, with the divisions finally coming right into the open in June as first ex-ZANU officials accused Mr. Nkomo of making a secret deal with Mr. Smith and then Mr. Nkomo retaliated with a hard hitting attack on the non-ZAPU leaders.

Neither have the former parties themselves been immune to trouble. Mr. Sithole was "deposed" from the ZANU leadership last November as he was about to fly for the first time to Lusaka, while the man who led that attempt, Mr. Robert Mugabe, is now apparently detained inside Mozambique. Reports in December that this conflict had spread to the ZANU military wing and had unpleasant tribal overtones were tragically confirmed in March when the President-in-exile, Mr. Herbert Chitepo, was murdered in Lusaka and the Zambian Government felt it necessary to arrest (and keep in detention) 57 members of ZANU.

This state of affairs within the ANC has played into the hands of Mr. Smith, who can now — quite erroneously—present himself as having been ready all along for meaningful constitutional talks. It must be doubted whether Mr. Smith ever intended to negotiate along the lines suggested to him by Mr. Vorster. If the last ten years have shown anything, it is that Mr. Smith is a political survivor and the Vorster plan for phased progression to majority rule meant that the Rhodesian Prime Minister was being asked to commit political hara-kiri.

Mr. Smith helped unwittingly by the ANC, has been playing a game of considerable political skill. He obviously realised last December that Mr. Vorster was in earnest and that he thus had little alternative but to agree to detente's initial stages. His main objective seems to have been to test precisely how far South Africa was prepared to go in putting pressure on Rhodesia and for the time being, at least, he has his answer. The South African para-military force has been withdrawn from the front line in Rhodesia but—very important for Mr. Smith—not from Rhodesia itself. Just as crucial in Mr. Smith's eyes, the South African helicopters and other material is still at the disposal of Rhodesian forces. And as for the threat of South African economic sanctions, while the passage of some goods has undoubtedly been difficult this can be put down to congestion at South Africa's ports. Rhodesia clearly believes that South Africa has and will continue to shy away from the ultimate economic weapon.

Mr. Smith has other reasons for believing things are going his way. Though the swing was only marginal, Mr. Vorster's candidate lost votes to the extreme right-wing in a recent by-election, while undoubtedly the civil war in nearby Angola can only increase the influence of those opposed to black rule.

Detente, then, has proved as stillborn as the bilateral Wilson or Douglas Home attempts peacefully to settle Rhodesia, leaving Mr. Smith, once again, looking like the victor. But what of the future? Is it conceivable that Mr. Smith will still be in power in Rhodesia in ten years' time?

Ten days ago in Dar es Salaam the African Presidents made yet another attempt to get the warring factions of the ANC to unite and work out a common strategy. While full reports of that meeting have yet to emerge, the three sentence communique issued at its end said nothing about unity but spoke tersely of the need now to step up the "liberation struggle," and since Mr. Nkomo, Mr. Sithole and Bishop Muzorewa all then went on to visit Rhodesian guerilla camps in southern Tanzania it is being assumed that a decision to step up the guerilla war has been taken.

Most, though not all, of the 2,000 trained guerillas in Tanzania, Zambia and Mozambique are ZANU, and it is very doubtful whether they have recovered from the purges and splits of earlier this year. On available evidence it would seem that Mr. Smith—whose defence budget has just been increased by 23 per cent. over last year—will be able to cope with any threat this year.

Should this analysis be correct and if Mr. Smith can withstand the guerilla threat for some time, there are still two other non-military pressures which could, given the political will, be brought to bear on Rhodesia. The first is that Mozambique should impose economic sanctions, and the second is that South Africa should do the same.

Border stays open

Mozambique became independent on June 25, but despite statements by President Machel that economic links with Rhodesia would be cut, the border, to the surprise of many, remains open. There appear to be several reasons for this. While few with close contact with Frelimo doubt Mozambique's ultimate commitment to sanctions, the new Government is more pragmatic than has been thought. It apparently feared that if sanctions were imposed on June 25 Rhodesia might retaliate militarily: added to this was the fact that the Government was unsure of its ability to control the borders either militarily or administratively. Second, Mozambique knows that it will suffer economically from sanctions, and wants to be well prepared. Finally, there has almost certainly been the hope that were a constitutional conference to get off the ground, a decision on sanctions could be deferred.

Whether, as has been suggested, Mr. Machel may take the occasion of Mozambique's accession to the UN in September to announce sanctions remains to be seen, but two things seem certain. The likelihood of Mozambique imposing full sanctions on Rhodesia is much greater than that South Africa will do so. And though Mozambique sanctions would undoubtedly hurt Rhodesia, the rebel colony would almost certainly survive them. The body blow can only be delivered by South Africa, which at the moment seems a virtual impossibility.

The question is impossible to answer: white minority rule in Rhodesia may have three, five or ten more years to go. Such is the tide of African nationalism that it is bound to go sooner or later, but the odds are that Mr. Smith and his colleagues will go later, and more violently, than seemed likely only a few months ago.

A mobile border patrol operating from a constantly changing base uses dogs in the hunt for possible guerilla infiltration near Rhodesia's northern border. Renewed guerilla fighting is now very much on the cards.

MEN AND MATTERS

NVT's flag day

"Ladies and gentlemen. Will you help to keep the Union Jack flying or will you allow it to remain as cover for a coffin?" Stirring sentiments indeed for a slightly odd occasion: round the edges of a large room in London's RAC Club, there were sparkling new motor-cycles; but, the question was as good as asked, should preparations go on for this next generation of machines, or was it funeral time?

For the moment, not quite. But the flag-waver yesterday, Dennis Poore, and his audience were gathered knowing that a Government statement is expected at any time setting out official policy on the motorcycle industry's future. Decisions are awaited on whether Norton Villiers Triumph's two plants and/or the Meriden co-operative get more help, and whether closures threaten.

Michael Heseltine, Conservative Industry spokesman, was on hand to put into words NVT's fears. He had of course always been against the co-operative (set up at a cost of £5m. in February), said there was "very much doubt" whether three plants could keep going, and warned of a "degree of reality" dawning for all before Parliament rises for the summer break.

Dealers and NVT employees were enthusiastic about Heseltine's message. It had earlier included cautions against pressing for a protectionist drive aimed at the Japanese. With U.K. motorcycles dependent on a good market in America, restrictive ways here would not be "politically credible," lectured Heseltine.

That emphasised that whatever the love for NVT and distrust of Meriden, the party divide could not be ignored: Heseltine's remarks were in contradiction to the previous speaker, bouncy Bob Edwards, Labour MP for Bilston and therefore with an NVT constituency. Edwards, having recalled glorious days as a despatch rider for the TUC during the General Strike (astride a British bike, naturally) had Genghis Khan nightmares. "Right across Europe, industries are being driven out by Japanese products. Sometime we have to stop this nonsense."

Harold Robinson, vice chairman of the shop stewards committee at Small Heath, NVT's biggest factory, expressed the irritation on the NVT side with the Meriden people. He claimed that the co-operative's all-on-£50-a-week democracy made them often better off: a greater insult was that Small Heath faced threats of a three-day week next month while Meriden had actually been recruiting. Robinson had a mysterious tale, which he declined to elaborate on, that Small Heath workers had been asked by "two groups of people" if they wanted to go over to a co-operative. "We," growled Robinson, "had a bit more commonsense."

So there was the promise of a new Norton Challenge (a 750 c.c. successor in part to the Meriden-built, NVT-marketed Triumph Bonneville), 50 and 125 c.c. offerings, Wankel rotary engines, and "more in the pipeline," depending on how Industry Secretary Eric Varley takes up the wider problems.

One more bike, an impressive red monster, was slightly involved too: sad to note that NVT's self-sell news was borne back to the BBC by a despatch rider on a gleaming Japanese machine.

Comic

Richard Marsh's popularity with the National Union of Railwaymen—its conference has already paid him the apparent compliment of saying he should become Minister of Transport—was tested over an hour and three quarters yesterday when he became the first British Rail chairman to address the annual meeting. His turn was rewarded with a standing ovation.

Whether this was due to the music hall routine with which Marsh prefaces serious questions was not clear. But a laughter-meter would have recorded a higher rating for the gag about late night TV and the pill solving the population problem than the suggestion that the NUR should practise true worker participation and purchase British Rail. "You can have it cheaply with Green Shield stamps and you can have the Department of Environment thrown in as well" promised the chairman.

Paradise East

Another former British Leyland chief has gone East. George Turnbull went to organise South Korea's car industry and now Filmer Paradise, former sales director of the Austin-Morris division, has departed to head the motor business of Wearne Brothers in Singapore. Plenty of insiders thought it a pity when Paradise, a colourful American who first worked in London as an economic commissioner under the Marshall Aid plan in 1948, quit BL two years ago. He took a job on the Board of Giltspur Investments, the Maxwell Joseph company which has some BL truck interests. His job was largely to advise Giltspur whether to extend those dealerships into cars and into Europe. The Board having decided the answer was no, his brief was largely completed, though he remains a Giltspur director and managing director Alan Fowler says he may find something to do for the company in the Far East.

He has now returned to a closer relationship with British Leyland, since Wearne is distributor in Malaysia and Singapore for all the BL products sold there bar Rover. It also assembles Minis and Marinas in both countries, this exercise including, in Singapore, a 1.5 litre diesel Marina which BL says has three-quarters of the local taxi market. On Japan's doorstep, BL does not too badly: it has 15 per cent. of the Singapore car market and 8 per cent. of Malaysia's.

Having someone running its distributor who knows the products as well as Paradise might prove advantageous. Wearne has been a major force in the area's transport history. When founded by two brothers in the early years of the century it had two of the nine cars in Singapore, and it also started Malaya's first air service. Chairmanship passed last year from Charles Wearne to Tan Chin Tuan, also head of Overseas-Chinese Banking Corporation and Sime Darby. Wearne has other irons in the motor fire besides BL including Ford, Holden and Renault dealerships.

Here we go

The Remuneration, Charges and Grants Bill, which is what the Government's £6-a-week legislation is called, includes under "financial effects of the Bill" the news that "Administrative expenses will be incurred by the Department of Employment in determining whether any remuneration exceeds the limits, amounting to £800,000 a year." The effect of the Bill on public service manpower will be that "approximately 100 additional staff will be required by the Department."

Observer

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POLITICS TO-DAY

BY DAVID WATT

The way to revivify the party system

WHAT IS special about the case of Mr. Reg Prentice? A fair question. No one denies the right of the Newham, North-East, constituency Labour Party to decide that it will not adopt the sitting Member of Parliament as *its candidate* at the next election. Again, nobody has alleged, so far, that those who wish to disown Mr. Prentice have acted outside the Labour Party's rules. Since 1970 *no fewer than four Labour* Party MPs have been refused adoption by their constituencies and have subsequently stood as independent candidates at an election; and three of them won. *It is open to Mr. Prentice* to do likewise. As to the merits of the case, Mr. Prentice has never gone out of his way to soothe the sensibilities of his political associates and he *should not be either* surprised or aggrieved to find some of them repaying him in kind.

Validity

All these arguments have some validity—yet Mr. Prentice's is still a special case, and the outcome of the struggle between him and the Left-wing members of his General Management Committee, culminating in a decisive vote next Wednesday, is exemplary and important. In the first place, the Prentice affair illustrates in a classic fashion some of the *deep* structural defects of the Labour Party. In Newham, one can see all the familiar signs of political decrepitude and decay: an old working-class city area—Alf Garnett country—with a changing social pattern, dominated by a local party machine which has been in power for many years; die-hard councillors; a constituency agent who has held his position since 1945: superficial loyalty, but falling *membership* and minimum enthusiasm.

There are many Labour parties like this up and down the country and they are a depressing spectacle, not only because *they are the instruments* of the dreariest kind of municipal politics, but also because they are peculiarly open to take-over. In any voluntary organisation there is a shortage of volunteers. In *many Labour parties the shortage* has become chronic; and the result is that anyone who is prepared to work hard and do the chores will have a very fair chance of capturing the key posi*tions in the party irrespective* of his political views, providing these are not, at any rate at the outset, overtly extreme. A Left-wing *putsch* is relatively easy to organise over a period of time, *if a small handful of people are* ready to devote enough time and energy to the task and are able to recruit reliable left-wing votes to fill the vacuum left by the apathy of the right.

Normally, when revolutions like this occur—as they have in a good many constituencies besides Newham—the process is impeded or at any rate slowed down by the existence of a body of old-guard loyalists and trade unionists lurking in the background. Left-wing delegates are elected to the annual Party Conference and left-wing resolutions are passed because these cohorts cannot be mobilised for normal occasions. But on a major issue like an outright attack on the sitting MP their moderating influence will usually be felt. It follows that a successful attempt to oust a Right-wing MP generally requires him to have offended the old guard in some way, as well as having been marked down as an enemy by the Left.

From 1970 onwards the possibility of attacks on Right-wing *MPs was vastly increased* by the Common Market issue. Trade unionists and old-fashioned party-liners objected to the pro-Marketeers "keeping in the Tories," "defying the Whip" and generally behaving as if their consciences were more important than the party. One major result of the referendum is that it has deprived the Left of this weapon in individual constituencies. On the other hand, there are other possibilities of offending the loyalists and these, unfortunately, have been seized by Mr. Prentice. He continues to behave as if his *conscience was more important* than the Party, and he even talks as if the national interest was more important than the Party (how could the two possibly be in conflict!). *No matter that he has displayed impeccable* socialist views on education and overseas development: he has been guilty of the ultimate sin of "rocking the boat."

At one level, therefore, (and *an important one*) Mr. Prentice's predicament is a symptom of the structural malaise of the Labour Party, and its increasing failure to enlist the active support of young people who are not either Marxist or anarchist in outlook. This tendency is itself part of a wider decline of active support of political parties—a decline which has already brought them into such a parlous financial state that they must needs to go to the State with begging bowl in hand.

Corinne McCarthy

Mr. Reg Prentice: at one level his predicament is a symptom of the structural malaise of the Labour Party.

At another, more ideological, level the Prentice row shows the direction in which the Left-wing challenge is most likely to be felt in the future. It is all logical enough. Experience has shown that Left-wing domination of the Labour Party Conference through the control of block vote of the large unions is not enough. It has admittedly, had a powerful effect on the past two Labour manifestoes but it has ultimately been frustrated by the fact that the majority of individual Labour MPs are still (a) moderate themselves and (b) protected from the day-to-day pressure of the Left-wing management committees by the Burkean doctrine that British MPs are representatives and not delegates.

How is this tiresome impediment to be removed? The election of the leader of the Party by the Conference rather than by the Labour MPs has sometimes been suggested; but it is hard to see how such a change could be enforced in practice if the MPs really refused to accept the conference choice. A much more promising, if slower, avenue is the gradual erosion of non-left representation in Parliament and the gradual establishment (by deterrent example) of the principle that MPs will be *wise to reflect the majority* views of their immediate supporters. This lost principle would be the more easily promulgated because the famous representative notion enshrined in Burke's address to the electors in Bristol is not one which has ever consorted easily with the working-class idea of solidarity at all costs.

Round robin

This is really the origin of the agitation which has caused 160 back-benchers and 12 senior Ministers to send their round robin in support of Mr. Prentice and would certainly cause a major revolt in the Cabinet if Mr. Harold Wilson gave the slightest sign of encouragement to the anti-Prentice forces. There are admittedly a number of the signatories who may fear Left-wing attempts against their own positions. But the number who have really serious troubles at the present is not great, nor are by any means all of them right-wing or even centrist in their political views. The real point is that if a major political figure, and a member of the Cabinet, is disowned by his local party not for heresy, or some act of blatant disloyalty, or for dereliction of his duties to his constituents, but simply because he has the wrong tone of voice and belongs to the wrong bit of the party, then two disastrous conclusions follow. First it is no longer safe to deviate from whatever views are fashionable in one's constituency party at any time; and secondly the principle is lost that the Labour Party is a broad coalition in which all sorts of views are allowed and appreciated as legitimate forms of socialism.

What is to be done about all *this? The chances are that it* is too late to save Mr. Prentice. In the course of the long controversy attitudes have probably hardened too much to be softened by pleas from other Parliamentarians or disclosures about the private lives of participants. Mr. Prentice will no doubt appeal to the National Executive if he loses next Wednesday and the normal processes might then last a considerable time. I should be very surprised if he tried Mr. Dick Taverne's tactic of resigning and forcing a by-election, in which he would stand as an Independent. He is very much a Labour Party man and his advisers are telling him that the electors would resent yet another poll so soon after two general elections and a referendum. If the worst comes to the worst, therefore, he will presumably simply carry on until the next election before deciding whether to stand, and where.

In the longer run the whole situation confirms my belief that one of the most effective changes in our political institutions—one far more necessary than the introduction of proportional representation, for example—would be the reform of the selection processes of the political parties. Constituency Labour parties like Newham are desperately unrepresentative of ordinary Labour voters, and Conservative Associations are not, on the whole, much better. All the arguments for giving the power to the people who do the work (and powerful arguments they are) fail in the kind of situation we are in at the present. There is a vicious circle whereby party activity by normal moderate people is turned off by disgust at the *arid ideologies of the present* political dialogue, and the absence of moderates in the constitutency parties makes the ideological argument still more extreme.

The only way out seems to me to open up the central processes to a wider participation, and the most plausible nature of doing this is to introduce a system of primary elections, in which the prospective candidate of any party could be challenged and voted on by anyone who had registered as a supporter of that party. The normal objections to this kind of procedure are that it would greatly add to the cost of politics and that it would tend to produce more stereotyped MPs. But I do not accept either of these propositions.

Ceiling

On cost, the American analogy is highly misleading *because of the vastly larger size* of constituencies there. I see no reason why, with proper ceiling on expenditure, a fair and worthwhile election should not be run. As to the second objection, it seems unlikely with five-year Parliaments (fixed terms would, of course, be essential), that politicians would feel inhibited from speaking their minds by the prospect of reselection. But in any case, any feeling of restraint would be the consequence of genuine popular pressure and not of the blackmail of an unrepresentative clique combined with the manipulated loyalties of the rank and file. If anybody really wants to save and revivify the party system, this is the way to do it.

Letters to the Editor

Unfair to the self-employed

From Mr. J. Flemming.

Sir,—Mr. Talbot (July 15) says that though he strongly believes "that pension rights should be excluded from any wealth tax he could respect the opposite view if it were soundly argued." Having suggested one step in this direction in the pamphlet, "Why We Need a Wealth Tax" (Methuen 1974) by Professor Little and myself, without getting to grips with non-contributory pensions, may I attempt to respond to the challenge? Mr. Chown's article (July 12) referred to equity between employee and self-employed, to which Mr. Talbot correctly *replies* that *the self-employed* can buy retirement annuities with tax relief similar to that enjoyed by beneficiaries of a pension fund.

To say, however, that "his *position is then equated approximately* to that of the employee" does not, unfortunately, follow, and in the case of civil servants is a travesty of the true situation. Under the 1971 Finance Act the self-employed can spend up to 15 per cent. of their taxable income on the purchase of a retirement annuity. There is no comparable limit on the funding rate of company schemes which are subject only to a *limit on pensions paid as a pro*portion of terminal salary. At present low (in fact negative) real interest rates these *two* limits are way out of line with one another to the great disadvantage of the self-employed.

Consider a civil servant retiring after 40 years of service with a salary of £10,000 per annum and entitled to an indexed pension of £5,000 per annum (40/80ths of £10,000). If he is expected to live for 15 years, and if the real interest rate is taken to be zero (it is currently negative) the present value of his pension in real terms is £75,000. If he started work 40 years ago at a salary equivalent *to £2,000 per annum* at to-day's prices and had progressed steadily to his present £10,000 per annum—so that his average income (at constant prices) was £6,000 per annum—his total real earnings over the 40 years would be *£240,000*. *Thus* at a zero real interest rate his pension would require funding at the rate of 75/240 or 32 per cent.—more than twice the maximum rate allowed to the self-employed! If anyone regards these calculations as fanciful they *should* go into the market to try to buy an indexed half-terminal-salary pension for less than 30 per cent. —the rates currently quoted are, I believe, nearer to 40 per cent.

Whether the appropriate response to this situation is to impose wealth tax on an actuarial valuation of pension rights is by no means certain but that the present situation is grossly unjust is absolutely clear.

It would be improved by varying the 15 per cent. limit from *time to time in the light of current* market rates for indexed annuities: however, this would not fully protect the self-employed since the adequacy of their past contributions is likely to have been reduced by changes in prices and interest rates unless they had actually purchased indexed annuities and these are not widely available. One merit of the wealth tax suggestion would be its allowance for the *current capital value* of rights purchased with past contributions.

J. S. Flemming,
Nuffield College,
Oxford.

Pensions as assets

From The Chairman,
Legislation Committee,
Smaller Businesses Association.

Sir,—Mr. J. E. Talbot (July 15), implies that those wishing to include pension *rights among* assets liable to a possible wealth tax should provide justification. Surely, on the contrary, it is up *to those* who would seek the exclusion of particular assets, pension rights or any other, to *justify* the exclusion. To make only certain kinds of wealth chargeable would be inequitable and could be justified only on narrowly political grounds.

Concerning Mr. Talbot's *specific point about* those running their own businesses, I agree that they *can* now pay premiums towards a retirement annuity. The effect of this, however, is to transfer assets from the person's own business through the *insurance company* to public companies or the Government. So businesses which generally use their assets more efficiently are deprived of funds while organisations which generally use their assets less efficiently gain at their *expense.* This strengthens the trend to stagnation in our economy.

I am not of course suggesting that no self-employed person or director of a private company *should* buy a retirement annuity. The choice should be free whether to do that or to keep the money in his own business for development with a view to selling the business or having a pension directly from it after retirement.

Colin Dauris,
Europe House,
World Trade Centre, E.1.

Defence cuts

From Mr. A. Shaw.

Sir,—No reader with any experience of the U.K. Defence scene could read Michael Donne's article headed "Little Room for more Defence Economy" (July 9) other than with fascination and incredulity. One can only hope that other readers will not take this headline on trust.

It is probably fair to say that there is scope for savings within the existing commitments of at least 25 per cent. These are more likely to be achieved by withdrawal from places like Bath and even Whitehall rather than Gan, Mauritius and Singapore.

Admiral Sir Anthony Griffin's target is to be applauded and actively supported. Without the creation of new effective authorities however and a fundamental change of attitude on defence procurement to bring it on to a professional commercial basis, it is hard to see how such objectives can be met.

Before our forces are scaled *down further, perhaps we could* re-evaluate Pepys and Parkinson. For once, a wide range of *political opinion* on this issue might be reconciled.

A. P. Shaw,
Cam Cottage,
Shedfield,
Hants.

Industrial democracy

From the National Organiser,
TASS/Lucas Group

Sir,—I find it most unusual to be replying, through your columns, to attacks on one trade union by *another. While* concerned at this departure from normal inter-union practice, I am equally concerned that Ray Edwards' remarks (July 11) about TASS (the technical administrative section of the AUEW) are corrected.

TASS has been a consistent advocate of "industrial democracy"—and by that phrase TASS means, "to increase members' control of their industry, to co-operate in every possible way with all other organised workers in the transference of industry from private ownership to socialist and co-operative ownership for the common welfare of the people." Inded it is *enshrined* in our union rules.

The attitude of TASS has also been consistent—and I take Ray Edwards' example of BLMC as a case in point. TASS and all other unions (including APEX) saw, in the industrial democracy proposals submitted to the Ryder Inquiry, public ownership as the essential prerequisite. Ray Edwards must explain why Lucas is so exceptional in this respect.

Mr. Edwards *says that* the TASS response is "a receipe for inertia" and highlights the redundancy situation in Lucas. Really, if Mr. Edwards wants the facts, his members in Lucas could tell him that the struggle against those redundancies (by the joint staff unions including APEX) is led by TASS members. Representation was made yesterday at the House of Commons by the joint unions (including APEX) led by TASS on a TASS initiative.

The last two months have seen *an unprecedented series* of mass meetings of TASS members in the west Midlands full of "dedication and enthusiasm," formulating policy and applying plans to resist this redundancy. Strange to say our thousands of members employed by Lucas, see this as a real attempt to extend their ideas of industrial democracy into the realms of management's divine right.

I agree with them. I would also contend that this action by TASS membership, in unison with their fellow trade unionists in APEX, is worth infinitely more than paper exercises in verbal aggression.

John Rowan,
Birmingham.

Statutory controls

From Mr. J. Bruce-Gardyne

Sir,—It would be interesting to know what criteria your Labour Editor (July 14) uses to arrive at the judgment that each attempt at statutory control of wages and prices over the past ten years enjoyed a period of success. Just to take the last one, for example, it endured over six quarters (from November 1972 to June 1974). During that time prices rose by 21.7 per cent., as compared with an increase of 9.6 per cent. over the immediately preceding six quarters. Unit labour costs (which are surely what the argument ought to be about, since they determine the competitiveness of the *British economy*) rose by just under 20 per cent. during the period of price and wage control, compared with an increase of 12.4 per cent. in the preceding six quarters.

Indeed there was only one period during the whole of these ten years when there was tangible evidence that the rate of inflation was slowing down. That was in 1971—towards the end of the last period during which statutory controls were not in operation.

It would also be helpful to know what evidence Mr. Elliott has unearthed to support his theme that the very high unemployment which lies immediately ahead of us could be expected to lead to increased militancy and a soured climate of industrial relations. The last period of high unemployment in 1971-2 led to some quite dramatic improvements in the productivity of British industry.

Finally it is noteworthy that Mr. Jack Jones has already dismissed the Prime Minister's claim than £6 a week was a maximum and not an entitlement as the rubbish it sounded when it was made. I do find it a little difficult, however, to follow the argument that the existence of the £6 "norm" and a background of high unemployment is likely to generate militancy in low-paid trades which are presumably low-paid because they have up to now lacked either the will or the ability to be militant.

J. Bruce-Gardyne,
13 Kelso Place, W.8.

Run the AGM on TV

From Professor A. McCosh.

Sir,—In discussions of how to make Britain's companies more effective, the suggestion is occasionally made that greater involvement by stockholders and shareholders in management would be helpful. But these shareholders are scattered and in the case of public companies they are numerous. How can they be involved more? I believe it could be done quite easily and in a fashion that would strengthen relations with the employees at the same time by letting them see the company at work.

My suggestion is simply that large concerns, with more than 100,000 employees and shareholders, should hold their annual meeting in the form of a half-hour-long Sunday morning commercial on TV. A 7- to 10-minute speech by a telegenic chairman could help to bring the company and its policies and concerns to a wide public and in favourable light. This might be *followed* by an 8- or 9-minute question session, in which questions (written in to the auditors in advance and collated for similarity) can be answered by the Board members.

Then there would be the votes. Each shareowner and each employee would receive a set of coloured computer cards and a "yes" and a "no" envelope. He would be asked, during the meet*ing, to vote for a certain motion* by putting, for instance, the red card into the yes envelope. The next motion would dispose of the green, etc. At the end he just puts the two envelopes into the post and the company computer has the results in a day or two. It would almost certainly be worth letting employees who were not shareholders vote on many questions as well, and the computer could be trained to deal with each vote according to its source, which would be prepunched.

One possible difficulty would be sequential motions. If the votes were not known for several days, how could you ask approval *for a series of schemes*, each depending on its predecessors? I believe this could be dealt with in most instances by asking all the secondary questions as conditionals. "Given that the vote on project X turns out to have been favourable, please use the green card to record your approval of project Y which raises the funds for it."

Any step that will bring the thinking of companies before the world more clearly can only be beneficial to the corporations involved. People don't know enough about firms now, and therefore don't trust them. Televised AGMs won't eliminate the difficulty, but it might help a bit.

Andrew M. McCosh,
Manchester Business School,
University of Manchester,
Booth Street West,
Manchester.

Ministry of Exports

From The Chairman,
Clothing Manufacturers'
Federation.

Sir,—In your issue of July 15 you quote the Prime Minister as saying that Britain cannot afford to treat exporting as anything less than the lifeblood of the country. If Mr. Wilson believes that then perhaps he might now *consider acting on the suggestion* made at this federation's annual conference last May that the vital matter of exports be removed from the Department of Trade and entrusted to a separate and independent Ministry of Exports.

J. S. Williams,
14/16 Cockspur Street, S.W.1.

Some man ought to mow

From Mr. N. White.

Sir,—I note with interest the Department of the Environment plans to save £1m. by not mowing verges along motorways and major roads. Surely in the year of "save it" it would have been more appropriate to let, or allow local farmers to mow for fodder, the immense acreages which otherwise will go to waste.

N. J. White,
Roughton Manor,
Bridgnorth, Shropshire.

Preference dividends

From Mr A. Acton Pierce.

Sir,—As the letter from Mr. Instone (July 17) has already given rise to some dismay, it is *not* untimely to allay unnecessary fears.

First, no Preference capital issued since April, 1973, can be varied as to dividend from the terms of the issue. All Preference dividends on stocks issued since April 5, 1973, are paid under the provisions of the 1972 Finance Act and are at a fixed rate entirely detached from the variable rate of advance corporation tax. All fixed-rate dividends on stocks issued *previously* have been interpreted under the provisions of paragraph 18 of Schedule 23 of the Finance Act 1972 as being payable at a rate equivalent to 7-10ths of the gross rate at the time of issue; this payment to be accompanied by a credit warrant in respect of ACT at the current rate.

The Court decision referred to by Mr. Instone, without any details, cannot be regarded as decisive in any general sense without full details of the case, nor *without* the detailed judgment following an appeal. Whatever the ultimate outcome may be, if we confine ourselves to facts, any corporate body, themselves liable to corporation tax and themselves having Preference capital and using the dividends received on Preference stocks as franked investment income to pay them, are in an obviously covered position.

It remains to be seen if the interpretation of *paragraph 18* of Schedule 23 has been wrongly interpreted for the last two years by the Institute of Chartered Accountants.

A. G. Acton Pierce,
Seymour Pierce and Co.,
10, Old Jewry, E.C.2.

To-day's Events

GENERAL

Sir Henry Plumb, president, National Farmers' Union, and Mrs. Judith Hart, MP, speak at World Development Centre meeting on British agriculture, London.

Lord Ashby, Master of Clare College, Cambridge, and chairman of Royal Commission on Environmental Pollution gives Foundation Lecture on "Politics and the Environment," Ditchley Park, near Oxford.

Mr. Reginald Maudling, MP, speaks at Conservative rally, Newark and Nottinghamshire Showground, 7.30 p.m.

National Union of Railwaymen's annual conference continues, Jersey.

PARLIAMENTARY BUSINESS

House of Commons: Second reading of Policyholders Protection Bill (Lords). Proceedings on Salmon and Freshwater Fisheries Bill (Lords). Motion on Civil Aviation (Air Travel Organisers' Licensing) (Reserve Fund) Regulations.

House of Lords: Sex Discrimination Bill, committee.

OFFICIAL STATISTICS

Retail prices index (June).

Net acquisition of financial assets — analysis by sector (first quarter).

Financial accounts of industrial and commercial and personal sectors (first quarter).

COMPANY RESULTS

Initial Services (full year).

Keyser Ullmann (full year).

COMPANY MEETINGS

Barr and Wallace Arnold Trust, *Hotel Metropole, Leeds*, 12.

Chloride Group, 52 Grosvenor Gardens, S.W., 10.15.

Property and Reversionary Investment Corporation, Albany House, Petty France, S.W., 12.

Staflex International, Abercorn Rooms, E.C., 12.

Travis and Arnold, Northampton, 12.

COMPANY NEWS + COMMENT

Johnson-Richards down to £2.92m.

AFTER FALLING from £2.57m. to £1.25m. for the first half, taxable profits of ceramic tile manufacturers, H. and R. Johnson-Richards Tiles finished the year to March 31, 1975, down £1.67m. at £2.92m. External sales advanced from £33.17m. to £36m.

Earnings per 50p share are shown to be down from 40.6p to 24.8p. The dividend is lifted from 3.019p to 3.321p net with a final of 3.116p.

	1974-75 £000	1973-74 £000
Group external sales	35,998	33,170
Trading profit, etc.	4,816	5,539
Depreciation	1,796	1,554
Interest	505	78
Share associates	406	758
Profit before tax	2,926	4,598
U.K. tax	1,283	1,244
Overseas tax	332	553
Net profit	1,309	2,801
Minority loss	20	*386
Extraord. receipts	98	—
[illegible]	1,427	2,15[illegible]
Pref. dividend	6	8
Interim ord.	119	112
Proposed final	168	172
Retained	1,134	1,918

* Profits.

● comment

Johnson-Richards was feeling the crunch on all sides of its operation last year with depressed sales volume in all of its major markets—the U.K., the U.S., Australia and South Africa—responsible for a £1m. drop in trading profits. Costs arising in the last of these markets were also largely to blame for the massive jump in interest charges which has left the pre-tax level 36½ per cent. lower. The group did cut back on its capital investment programme last year (reducing it by almost a quarter) but borrowings have still more than doubled from the £2.7m. level of the 1973-74 accounts. Demand in the U.S. and Australia is now beginning to pick up but there is still no sign of any improvement in either the U.K. or South Africa so the downturn could still have some way to go. The shares at 100p are yielding 8.4 per cent. covered 4.6 times.

Economies at Morgan Grampian

THE magazine and book publishing group, Morgan-Grampian, faces this year with the knowledge that it has discontinued those activities whose operations would result in diminishing returns, say Mr. F. J. Parsons, chairman, and Mr. G. V. Sherren, chief executive, in their annual review.

The directors have also reduced costs wherever possible without harming the quality of products, while with the approval of the Prices Commission, prices have been increased to the point "that we are testing the ability of our readers' and advertisers' preparedness to buy."

Further, the company has secured its liquid position by realising property development assets.

Referring to 1974-75, Mr. Parsons and Mr. Sherren say Morgan-Grampian had to overcome the combination of escalating inflation and diminishing business confidence, which affected all the markets from which it draws revenue. Thus, the results contrast with the previous record of growth and as reported on July 2, pre-tax profit declined from £1.84m. to £0.56m. for the year to March 31, 1975. The dividend total is up from 2.0161p to 2.1883p net.

Group capital expenditure authorised and contracted for amounted to £65,000 (£1.55m.): that authorised but not contracted for totals £100,000 (same). In addition £4.5m. on the development of offices at Ferry Approach, Woolwich, has been authorised subject to suitable finance being obtained.

F. Pratt up £0.23m. at midway

PROFITS of F. Pratt Engineering Corporation expanded from £401,409 to £630,008 in the half year ended April 30, 1975, from sales £2.5m. ahead at £7.43m.

The current order book indicates a similar sales pattern for the second half, members are told. At April 30 orders stood at £8.3m., against £7.4m. a year earlier.

All major divisions continue to operate profitably and are expected to remain in profit for the second half.

In the short-term the directors are confident of continuing profitability. The longer-term is less predictable but diversification of manufacture is expected to provide some protection against weakening markets.

On capital expenditure the directors report that the planned programme of modernisation and replacement continues to move forward. Each stage of completion increases the group's ability to contain costs and maintain competitiveness against rising inflation, they point out.

	Six months 1974-75 £	1973-74 £
Turnover	7,423,439	4,929,931
Trading profit	947,860	657,646
Depreciation	170,416	174,794
Interest	147,436	81,443
Profit	630,008	401,409
Taxation	327,604	208,730
Net profit	302,404	192,679
Dividend	65,765	37,787

Cash flow is under "strict and satisfactory" control in close relation to both capital expenditure and the ability to provide funds from revenue.

An interim dividend of 1.3058p per 25p share is declared. For 1973-74 a total of 3.6703p net was paid from profits of £1.06m.

● comment

F. Pratt's 57 per cent. rise in pre-tax profits is inflated by comparison with a period of restricted working, and a fairer view is that interim profits are in line with the second half of last year. The machine tool cycle comes late for the group's workholding division because of its relatively low exposure to heavier sectors, and a high proportion of replacement sales also offers support for the second six months. Order rates and market prices are now weakening, but raw material prices have stabilised and the main pressure on margins stems from service charges. Forgings, for the specialist end of the aircraft industry, seem reasonably firm and both special-purpose machinery and constructional steel hold promise for the future. Deferred tax should cover a good deal of working capital requirements this year, leaving cash flow free for £1m. of capital spending. The company indicates sales of £15m., which could produce pre-tax profits of £1.2m., and, after recent relative strength the shares were unchanged at 42p last night where the yield is just under 15 per cent.

Second half loss at Dwek

A LOSS, before tax, of £5,344 is incurred by Dwek Group in 1974, compared with a profit of £183,855 the previous year.

At halfway, when profit was down from £90,590 to £66,875, the directors said the group was undertaking a re-assessment of its commitment to supply components to the furniture industry. The elimination of related losses should enable it to attain a more satisfactory level of profitability in 1975, they added.

No final dividend is being paid, leaving the interim of 0.335p net to compare with the previous year's 0.7185p total.

Tax charge for the year was £579 (£93,300) and there are extraordinary debits of £238,357 (£24,906 credits).

The group imports and wholesales PVC and makes industrial containers by injection moulding.

● comment

Dwek certainly has its problems, for after interim profits of £67,000 the second half fell into a loss of £72,000. By the year-end the distribution business turned in profits of £259,000 but injection moulding and component manufacturing featured losses of £95,000 and £168,000 respectively. The group believes that injection moulding can be brought back into profits; indeed it is currently operating at break even, but component manufacturing looks a lost cause and the extraordinary item of £238,000 relates to writing down the specialised plant to £56,000. Without the component side it is possible to make out a case for a return to profits, but market conditions are still tough and margins under pressure. The balance sheet meanwhile is looking jaded with net tangible assets of £½m. supporting borrowings of £1.6m. So, a couple of properties are on the market which would raise substantially more than their £½m book value, but even with asset disposals on the component division, borrowings will still be high. The shares have subsided to 5½p.

Maurice James looks to second half

Profits of Maurice James Holdings, the road haulage, waste disposal and packaging concern, in the six months to the end of June have been adversely affected by the downturn in general industrial activity. This particularly affected Powell Pak and the waste disposal companies during the first four months.

However, the position has since improved and it is expected that profits for the second six months will show a considerable increase.

This report on the latest trading situation is given by the chairman, Mr. L. M. James, in a letter to shareholders providing particulars of the acquisition from Greenwood and Batley of Joshua Bigwood, for £876,000 cash.

In addition, the company will, on completion, procure repayment to Greenwood of its loan account with Bigwood amounting to not more than £203,500. Bigwood's net profits for the period from April 1, 1974 to April 5, 1975 are warranted at not less than £140,000 before a management charge of £15,000 in favour of Greenwood.

G. Dew first half growth

Profit before tax of G. Dew and Co. shows "continued progress," expanding from £340,000 to £400,000 during the six months to April 30, 1975, and chairman, Mr. G. Dew, is confident the year-end results will be comparable with the record £1.18m. of 1973-74.

Earnings are shown to be up from 6.23p to 6.24p per 25p share and the interim dividend is held at 2.5p at the gross level or 1.625p net against 1.675p. For the full year to October 31, 1974, dividends totalled 6.328p gross or 4.2386p net.

Mr. Dew says the general outlook for the industry in the immediate future is not promising in view of the economic climate and likely Government measures to further restrain expenditure.

With this in mind the directors are intensifying efforts to become involved in the expanding market in developing countries where experience and expertise are in considerable demand. Financing of this would present no problems, the chairman adds.

The business is that of civil engineering contracting, industrial builders, landscaping and stonemasonry.

	Six months 1974-75 £	1973-74 £
Turnover	6,353,000	5,345,000
Profit before tax	400,000	340,000
Tax	208,000	173,000
Net profit	192,000	167,000
Minority	1,400	—
Interim dividend	40,330	39,330

● comment

G. Dew's interim expansion of nearly a fifth on improved margins calls for some restatement. These are now group, not parent, results, and stripping out a notional contribution from Munro Piling knocks the growth rate squarely on the head. The market's expectations of harsher trading conditions ahead were also confirmed by group hopes of maintained profits for the full-year: this implies a second-half slowdown of about 5 per cent. More important than unaudited interim figures, however, could be the changing complexion of the order book. After moving into high margin specialist business, Dew is now starting to concentrate on overseas work, and its accumulated cash balances—swollen by a reduced level of local authorities retentions on contract work—will help finance higher running costs. At 80p, the prospective yield is 8.9 per cent.

Tace hit by Dutch setback

REFLECTING a sharp downturn in second quarter sales of the Dutch companies, which make masonry drill bits, taxable profits of TACE fell from £303,000 to £165,000 in the half year to March 31, 1975.

The interim dividend is reduced from 0.879p to 0.4p net, costing £18,669. Last year's total was 2.02125p paid from profits of £695,651 before tax. The Preferred Ordinary dividend of 2.8p will continue to be paid.

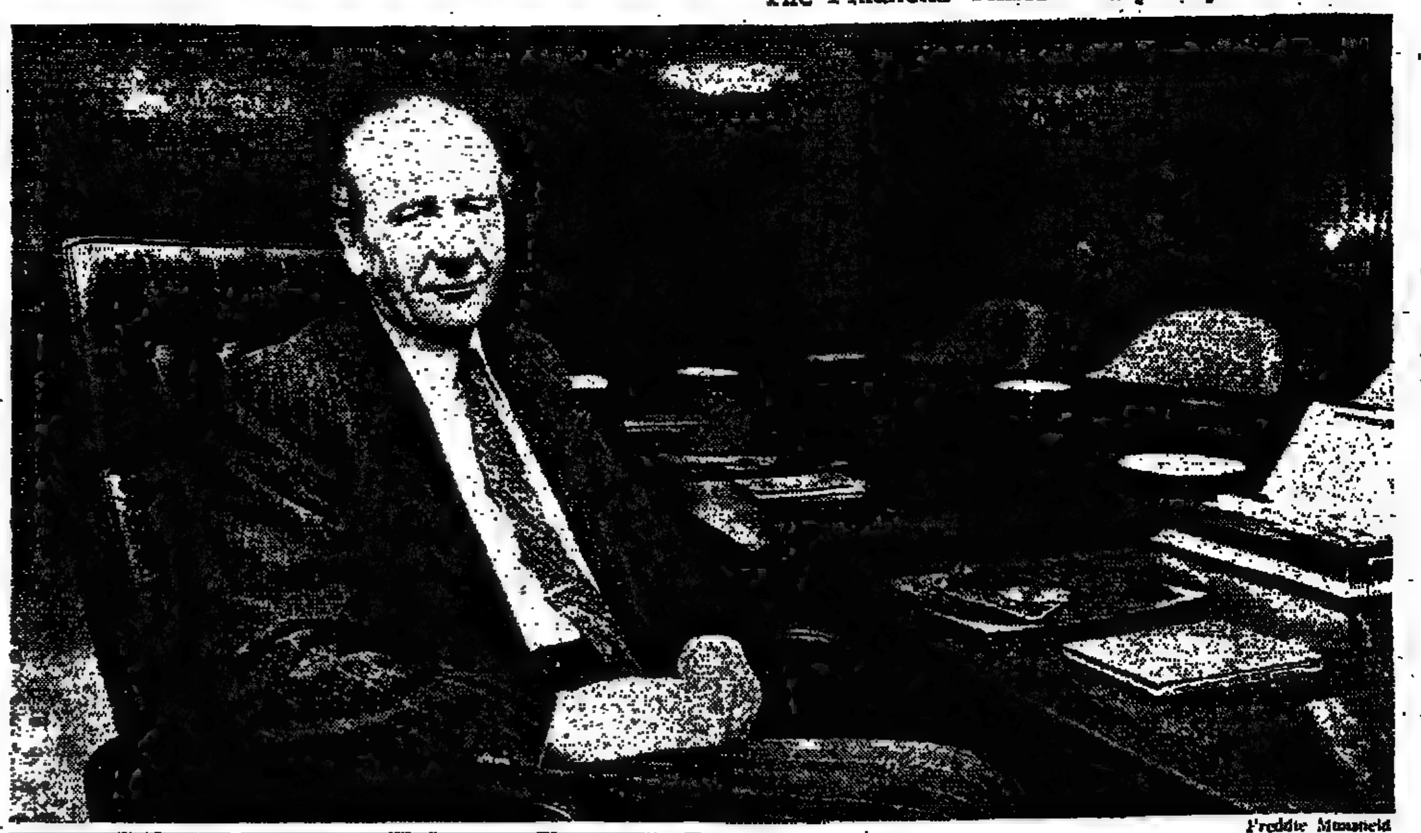
	Half year 1974-5 £000	1973-4 £000
Group turnover	3,346	4,198
Trading profit	282	412
Net int. charges	137	109
Profit before tax	146	303
Taxation	67	123
Minority	15	10
Leaving	88	116
Extraord. debits	12	—
Attrib. to s-holders	51	170

The directors say that in spite of the adverse economic climate the British interests succeeded in increasing pre-tax profits by some 80 per cent.

Reflecting general conditions, there has as yet been no revival in demand at the Dutch companies. It is hoped that steps taken will have led to improved results from those companies by the end of the financial year and the British companies continue to show good progress.

● comment

Despite a steadily declining trading climate, the suggestion at the end of the last financial year was that Tace would achieve some sort of profits growth over 1974-75. The 45 per cent. first-half pre-tax setback therefore came as a blow, and the share price reacted with a 3p drop to 13p. Over the six months, the Dutch subsidiary just about managed to break even so the implication is that the U.K. interests pushed up trading profits by as much as 30 per cent.; the control and industrial products divisions fared particularly well. The Dutch interests are apparently beginning to respond to remedial treatment, though the construction industry in Holland (and Europe in general) is evidently still far from buoyant. A yield of 24 per cent. sums up the market's feelings.



Freddie Mansfield

Dr. Gordon Hobday, the chairman of Boots, who yesterday told the annual meeting that group sales were up 25 per cent. in the first quarter compared with the same quarter last year.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allnatt London Props.	2.34	Sept. 12	2.12	3.18	2.99
Anderson's Rubber	0.67	—	0.61*	1.17	1.11*
Barker and Dobson	nil	—	0.13	nil	0.55
Best and May	1.61	—	1.52	2.27	2.14
BB and EA	1.43	—	1.43	2.33	2.33
G. Dew and Co. int.	1.63	Sept. 10	1.58	—	4.24
Distillers Co.	3.37	Oct. 10	3.06	5.38	5.07
Dwek Group	nil	—	0.37	0.34	0.72
GUS	3.38	Dec. 19	3.16	6.13	5.78
Johnson-Richards	3.12	Sept. 4	2.81	3.32	3.02
London and Lomond int.	0.7	Sept. 5	0.7	—	1.7
Oil and Assoc. Inv.	1.06	Aug. 22	0.92	1.64	1.33
Peachey Property	0.25	—	1.38	0.25	2.48
Peterborough Motors	1.1	Sept. 10	1.0	1.83	1.76
F. Pratt int.	1.3	Sept. 2	1.1	—	3.7
Scott. and Newcastle	1.68	Aug. 28	1.56	2.32	2.39
Smith Wallis	1.56	Sept. 17	1.34	2.56	2.41
Standard Trust int.	1.5(a)	Sept. 5	1.17	—	3.94
Tace int.	0.4	Aug 29	0.88	—	2.02
F. H. Tomkins	0.47	Oct. 1	0.49	0.72†	0.67
Tribune Inv. int.	2.8	Aug. 29	2.5	—	8.5
S. W. Wood	1.68	—	1.61	3.19	3.01
Wyndham Eng.	1.47	—	1.47	1.47	1.47

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity.

Downturn at S. W. Wood

NON-FERROUS metal merchants, processors, and smelters, S. W. Wood Group reports turnover of £19.22m. against £19.34m., for the year to March 31, 1975, and a fall in taxable profits from £1.23m. to £0.99m. Earnings are shown to be down from 10p to 7.3p per 20p share.

At mid-way, announcing a rise from £0.42m. to £0.73m., the directors said that although second half profits might not match those for the first, an advance in the full year figure was in prospect.

They now explain that the uncertainty and lack of confidence in industry has taken its effect on the volume of trade since the turn of the year and the decline in prices obtainable in the face of rising costs has reduced margins in the manufacturing sections.

The current year has started quietly, but the directors are sufficiently confident to recommend an increase in the dividend from 3.008p to 3.191p net with a final of 1.6835p.

	1974-75 £	1973-74 £
Turnover	19,219,279	19,340,479
Trading profit	986,254	1,231,382
Taxation	511,499	635,798
Net profit	474,755	595,090
Minority	38,724	10,501
Attributable	436,031	585,589
Interim dividend	57,652	31,481
Proposed final	87,893	93,495
Less amounts waived	103,172	99,141
To reserves	373,670	366,833

● comment

S. W. Wood's trading conditions deteriorated considerably in the second half of 1974-75 and the annual pre-tax level has dropped by a fifth after an interim rise of 76 per cent. Demand really collapsed in the final three months of last year and though there are signs that the slump may now be bottoming out sales volume is still at a very low level. The group has a reasonably sound liquidity position with borrowings now slightly lower than the £1.8m. in the 1973-74 balance sheet (against net funds of £2.9m.) but there seems little chance of any profits recovery in the current year and the most that can probably be hoped for is a halt in the downtrend. At 38p a yield of 18.7 per cent., covered 2.4 times, is taking no chances.

John Stephen cuts loss

Retailers of men's and ladies' wear, John Stephen of London, reduced its pre-tax loss from £76,000 to £19,000 in the half year to February 28, 1975. It incurred a loss of £215,166 in the full year to August 31, 1974.

The chairman, Mr. J. H. Stephen, reports that trading in the current six months has been depressed and in the current economic conditions it is difficult to predict the outlook in the immediate future.

However, some easing in the burden of interest and depreciation charges is to be seen and this benefit is expected to reflect more fully in the second half.

The chairman adds that the final stages of rationalisation following the Gary Elliott acquisition are beginning to show effect. Closure of a number of unprofitable shops along with the cessation of certain manufacturing interests has "significantly" contributed to a reduction of cost levels. However, these policies have served to reduce turnover, he points out.

Tomkins turns in peak £1.1m.

A record pre-tax profit of £1,115,879 for the year to April 27, 1975, up from £947,010, is announced by F. H. Tomkins, makers of buckles, bright drawn steel and nuts and bolts, after £525,000, against £370,000 in the first half.

Stated earnings per 5p share for the year are up from 2.197p to 2.546p and a final dividend of 0.4669p net raises the total to 0.7169p, compared with 0.6727p.

The chairman, Mr. G. G. Garman, says that for the first eight months, when trade was buoyant, supplies of steel were "appalling." By January the world demand for steel collapsed "with the result that supplies exceeded demand almost overnight," he adds.

	1974-75 £	1973-74 £
External sales	8,623,814	8,153,797
Profit before tax	1,115,879	947,010
Tax	595,807	497,660
Minority	5,250	5,250
Available	514,822	444,050
Interim div.	38,343	37,143
Proposed final	94,400	96,350

Peachey off by £1.66m.

SECOND-HALF profits of Peachey Property Corporation showed a reduction from £972,000 to £290,000 leaving the total for the year ended June 24, 1974, down by £1.66m. at £636,000.

The profit was struck after net losses of £603,000 on the share portfolio. The year's attributable balance comes out down from £1.37m. to £236,000 with earnings per 25p share falling from 6.2p to 1p.

The dividend is cut to 0.25p, compared with 2.480625p for 1972-73.

	1973-74 £000	1972-73 £000
Net rents	2,392	2,253
Debenture interest	97	115
Other int. and divs.	181	272
Surpluses on realisns.	745	1,738
Associates	79	152
Making	3,494	4,173
Profits	1,197	2,164
Losses share portfolio	603	—
Associates	42	135
Profit before tax	636	2,299
Taxation	400	926
Net attributable	236	1,373
Dividends	73	550

ISSUE NEWS

DERBY STOCK ATTRACTS £397M.

Derby Borough Council's issue of £7m. of 13¼ per cent. Redeemable Stock 1982, attracted applications for £397.1m. of stock, over 55 times oversubscribed. No allotment has been made to applicants for less than £11,000, and applications for £11,000 and above have been allotted approximately 1.8 per cent. of the amount for which they applied. Dealings will start to-day.

PROPERTY HOLDING 41.71% ACCEPTED

In response to Property Holding and Investment Trust's issue of £2.4m. 9 per cent. Convertible Unsecured Loan stock 1990-95 by way of rights £1,001,024 of the stock (41.71 per cent.) was taken up by shareholders. Any stock not sold in the market at a net premium after expenses over the issue price, by the close of business on Friday, July 18, will be taken up by the underwriters.

DUNDEE-ANGUS RIGHTS

Dundee-Angus Ice Rink proposes to raise £38,000 by a rights issue on the basis of one-for-one at £1 per share. Turnover for the six months to February 28, 1975 was £52,100 (£42,723) and pre-tax profit amounted to £12,783 (£10,234).

OTHER ISSUE NEWS
Scottish and Newcastle, Page 20.

BIDS AND DEALS

Guthrie makes bid for Ajax

FOLLOWING THE May announcement that Guthrie Corporation had agreed in principle to make an offer for Ajax Magnethermic Corporation, of Ohio, Guthrie said yesterday the outstanding legal, financial and other details had now been finalised.

In consequence, the tender offer of $50 per share has been made to all holders other than Mr. J. Logan, president, and Mr. B. McArthur, director, who own approximately 58 per cent. of the issued capital of Ajax. A separate purchase agrement relating to those shares was signed in New York yesterday.

Total value of the offer, which is conditional on acceptances totalling not less than 80 per cent., is $30.14m., of which $13.3m. will be deferred by way of instalment payments to Mr. Logan and Mr. McArthur, with $6m. payable January 2, 1978, and the residue up to January 2, 1982. The balance of the purchase price will be provided by a $15m. loan from a bank syndicate led by Lloyds Bank International and from Guthrie funds largely arranged by way of parallel loans.

BUILDERS AND GENL. MORTGAGE

Henry Ansbacher, which already owns 29.7 per cent. of the shares of Builders and General Mortgage, a company based in the West End of London, has acquired a further 6.7 per cent. at a price of 68p.

Ansbacher will offer to purchase the remaining 955,300 shares at 70p ex the dividend of 3.606p payable on July 31 but cum all other dividends, etc., accruing from July 15. The offer will be conditional only on acceptance by holders to make more than 50 per cent. of the total.

A holder of 19.97 per cent. has irrevocably and unconditionally undertaken to accept. The directors of Builders and General are considering the proposal and will write to shareholders with their views when offer document is posted.

DOWGATE ADVISERS

Merchant bankers Arbuthnot Latham and Co., has accepted the appointment by Dowgate and General Investments to advise the shareholders of Dowgate, following offers for the company's share capital and subscription warrants received from Midhurst White Holdings. Midhurst is being advised by Lazard Brothers and Co. The Board of Dowgate is considering the position in conjunction with its financial advisers.

ASSOCIATES DEAL

Henry Cooke Lumsden on July 14 bought on behalf of a discretionary investment client 10,000 Vantona at 49½p.

More bids Page 20

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
4	F.P.	—	172	155	Akroyd & Smithers	155	−5	u50	1.7	12.1	7.6
48	F.P.	11/7	56	42	Clive Discount (20p)	52	...	16	—	9.5	—
55	F.P.	—	55	55	Lawrence (Walter)	55	...	b18	2.7	12.6	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
‡‡	F.P.	—	93	89¾	Adwest Grp. 10½% Cnv. '95/2000	92	.....
‡£100	F.P.	11/8	140	114	Allied Irish 10% Conv. Uns 1985	117	+3
£100	F.P.	—	101	£99½	Barclays Bank Int. 9½% Capital Notes 1982	101	.....
£100	£10	—	11	10¼	Barnet Corp 13½% 1980	11	+⅛
£100	£10	—	11¾	10½	Do. Do. 14% '84/5	11¾	.....
£100	F.P.	—	100	100	CSR 9½% Notes 1980	100	.....
**£99	£10	—	10¼	9¾	Camb. Water 9% Red. Pref. 1980	10	−¼
£97½	£50	—	50	49⅝	City of Westminster 12% Red. st. 1981	50⅛	−¼
‡£99	£10	29/8	11¼	10¼	East Surrey Water 9% Red. Pref. 1980	10¾	.....
£100	F.P.	—	106½	102½	[illegible]Finance(U.K.)9%CnvGtdUnsLn.85-90	104½	.....
£99	F.P.	31/7	112	100⅛	Folkestone Dist. Water 9% Red Prf. 1980	100½	−⅛
‡£100	F.P.	6/8	132	116	Gestetner 10% Conv. Uns. '90/95	120	−2
£100	£60	—	64¼	53	Hoechst 10% Guar. Ln. 1990	54¼	+¼
£99	F.P.	30/8	102¼	97	[illegible] Corp. 10% 1980	100	.....
‡£200	Nil	—	7½	2½	Mitchell Cotts 12% Conv. Uns '90/5	3pm	−1
$100	F.P.	—	$105	$100½	Norsk Hydro 9½% Bds. 1985	$103	.....
£100	F.P.	21/8	122	106	N. Atlantic Secs. 7½% Cnv. 85-95	112	—
£99	F.P.	31/7	112¼	100⅛	N. Surrey Water 9% Red Prf. 1980	100½	+⅛
‡£100	Nil	16/7	5	¼	Prop. Hldgs. & Inv. 9% Conv. '90/5	½pm	.....
£99	£10	29/8	10¾	10¼	Sunderland Water 9% Red. Pref. 1980	10½	.....
‡‡	F.P.	—	85	77½	Turner Curzon 15% Conv. Uns. '78-80	85	−1
£1	F.P.	24/6	110p	96p	Waterford Glass 10% Conv. Cum. Red. Pref.	100	−1½
‡‡	F.P.	—	101¾	100¾	Whitbread 11% Conv. 1995	100¾	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	‡	Stock	Closing Price p	+ or −
110	Nil	—	—	Anderson Strathclyde	2pm	.....
43	F.P.	20/6	8/8	Associated Engineering	49½	+½
25	F.P.	7/7	21/8	Barrow Hepburn	34	.....
85p	F.P.	2/7	1/8	Bell (A.)	100	−2
46	F.P.	7/7	10/9	Boc Intl.	43½	−1
£100	Nil	—	—	Borel (Jacques)	168pm	.....
115	Nil	21/7	1/8	Bowater	17pm	+1
50p	Nil	—	—	Brit. Steam Specialties	3pm	+½
40	F.P.	3/7	8/8	Carless Capel	60	−1
30	Nil	21/7	29/8	Century Oils	5pm	.....
A$1.50	F.P.	3/7	7/8	Commercial Bank of Australia	213	−4
45	Nil	—	—	Compair	3pm	.....
72	Nil	—	—	Dunbee-Combex-Marx	29pm	−1
45	F.P.	26/6	25/7	Duport	41	−½
25	F.P.	13/6	11/7	Elliott Grp. (of Peterboro)	34	.....
65	F.P.	4/7	21/8	Ever Ready	81	+1
10p	Nil	—	—	Feedex	9pm	−1
38	F.P.	11/7	1/8	GEI Int.	38	.....
200	F.P.	4/7	7/8	Glaxo	350	.....
17	F.P.	4/7	17/7	Gordon Johnson-Stevens	17½	.....
52	F.P.	16/6	11/7	Hawkins & Tipson	67	.....
25	Nil	21/7	—	Hazlewoods (Proprietary)	½pm	.....
10p	Nil	—	—	Headlam Sims & Coggins	5pm	.....
20	Nil	22/7	8/8	Kwahu	2pm	−½
28	Nil	21/7	20/8	Leboff (Fobel)	½pm	−4½
103	Nil	—	—	Legal & General	12pm	−5
30	F.P.	18/7	—	London United Invs.	60pm	.....
25p	Nil	23/7	20/8	MacFarlane Group	36pm	−4
210	Nil	—	—	Metal Box	16pm	−2
10p	F.P.	2/7	8/8	NSS Newsagents	49	.....
60	F.P.	9/7	8/8	Nurdin Peacock	78	.....
105p	Nil	21/7	29/8	Pegler Hattersley	2pm	−1½
180	F.P.	11/7	1/8	Phoenix Assurance	200	−5
A$1.50	Nil	—	—	Poseidon	70pm	.....
5p	F.P.	11/7	5/8	Premier Cons. Oilfields	10	.....
67	Nil	24/7	19/8	Redland	5½pm	−2
20	F.P.	4/7	8/8	Root Harvesters	24	.....
10	Nil	—	—	Senior Engineering	2pm	−½
27½	F.P.	10/7	21/8	Sock	32½	.....
80p	Nil	—	—	Stebe Gorman	27pm	.....
300p	F.P.	—	—	Siebens Oil & Gas UK	635	+5
95p	Nil	—	—	Smiths Industries	1½pm	−½
65	F.P.	17/7	7/8	U.K. Optical	82	.....
50p	Nil	21/7	15/8	Unicorn	1pm	.....
110	Nil	—	—	Wheatsheaf Dist.	22	.....

Renunciation date usually last day for dealing free of stamp duty. a Figures price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. ** Tender allotment price. ◆ Reintroduced. ‡ Issued in connection with reorganisation merger or take-over. ‡ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

GUS profit total up by £6m. at £89m.

EXTERNAL turnover of Great Universal Stores expanded from £692.3m. to £786.9m., including VAT of £35.1m., against £52.8m., for the year to March 31, 1975, and profit, before tax and extraordinary items, advanced by some £6m. to £89m.

At half-way, profits were £37m., in line with the earlier expressed expectation of chairman Sir Isaac Wolfson of a figure about the same as the £38.5m. achieved in the "exceptionally buoyant" corresponding previous year period.

Earnings per 25p share for the year, after providing for deferred tax equalisation and excluding extraordinary items, are shown to have improved from 15.9p to 17.5p and the net dividend total is lifted from 5.7845p to the maximum permissible 6.135p, with a final of 3.385p.

Provisions for unearned profit, service charges and collection costs in respect of hire purchase and other instalment receivables, were £67.9m. at March 31, 1975, against £66.8m., September 30, 1974 and £70.7m. March 31, 1974.

Depreciation charged amounted to £8.99m. (£8.2m.). The extraordinary items were credits of £3.1m. (£1.4m.), less relevant tax, as shown in the table.

	1974-75 £000	1973-74 £000
Outside turnover	786,922	692,292
Profit	89,063	83,819
Taxation*	45,314	43,633
Outside interests	254	302
Pref. dividends	70	70
Balance	43,405	39,554
Extra-ord. interests	3,100	1,442
Making	46,505	40,996
Dividends	15,252	14,390
Retained	31,253	26,616

* Including deferred tax equalisation in both years.

See Lex

TKM CREDIT

TKM Credit Corporation, the hire purchase and leasing subsidiary of Tozer Kemsley and Millbourn, has opened a Scottish office in Glasgow.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—Dinkie Heel, Glasgow Stockholders Trust, New Equipment.

Finals—Elbief, Eucalyptus Pulp Mills, Initial Services, Keyser Ullmann, Lee Cooper, Vinten Group.

FUTURE DATES

Interims—	
Ballough	July 23
Gestetner	July 24
Illingworth Morris	July 22
Finals—	
Acrow (Engineers)	Aug. 13
Astra Securities	July 24
Common Market Trust	July 25
First Union General Inv. Trust	July 24
Grain Shipping	July 22
Neepsend	July 23
Polly Peck	July 22

Premier Oil drilling plans

At yesterday's annual meeting of Premier Consolidated Oilfields, the chairman, Sir George Bolton, said the company had been informed by Ball and Collins, the operator for the well to be drilled on block 3/23, East of the Shetlands, that they had now signed a contract with Shell Exploration to use the Sedco 700. Use of the Sedco 700 on a package deal from Shell would save the consortium in the region of $1m.

"Sedco 700 spudded in its current well on block 210/4 on July 4. The present estimate for the commencement of our well on 3/23 is next month. It is very much to our advantage to be able to add the drilling experience of Shell to that of our German partners and Ball and Collins," said Sir George.

Statment, Page 20

Decline at Fuller Smith

A DROP in the second half of £45,083 leaves taxable profit of Fuller, Smith and Turner, brewers, wine and spirit merchants, down from £478,908 to £443,166 for the year ended March 31, 1975.

A final dividend up from 3.51 per cent. to 4 per cent. lifts the gross equivalent total from 12 per cent. to 13.16 per cent.

	1974-5 £	1973-4 £
Pre-tax profit	443,166	478,908
Tax	202,200	246,967
Leaving	240,966	[illegible]
Attributable*	334,156	193,556

† After minorities £19,102. * Includes surplus on property disposals and deb. redemption £93,190 (nil) but after expenses of capital increase nil (£3,500).

Andersons' Rubber

AFTER bank interest up from £8.919 to £18,613, and loan stock interest down slightly from £4,400 to £4,332, pre-tax profit of Andersons' Rubber advanced from £72,170 to £118,580 in the year to January 31, 1975, following a first half £50,560, against £37,442.

Final dividend is 0.6745p net per 20p share, lifting the total from an adjusted 1.108p to 1.1745p.

Tax for the year is £66,746 (£36,535), leaving £51,834, compared with £68,140 which includes an extraordinary item of £32,525.

The company makes protective clothing, industrial rubber products and power transmission equipment. It owns a factory warehouse in Bristol.

'Fair start' by Boots

Boots, the retail chain store, had made "a fair start" to the current financial year, and both group sales and home retail sales for the first quarter were up 25 per cent. on the same period last year, the chairman, Dr. G. I. Hobday, told the annual meeting yesterday. The figures were almost exactly as budgeted, he added.

Dr. Hobday also told shareholders he hoped that the Government, in its new deflationary measures, would take into account more fairly than did the present regulations, the special problems of retailers.

"We trust that the voices of the retail consortium, so ably led by our colleague Lord Redmayne, and of the CBI, will be listened to with no less attention by those concerned than the stentorian voice of the TUC, so that those who contribute to our society, no less than do the trade union, can take a proper share in determining our future," he stated.

With the implications of the White Paper still being considered Dr. Hobday said he could not yet estimate its full impact on the company. It had made it even more difficult than last year to forecast the outcome of the current year's trading. "Certainly things are not going to be easy for us," he said.

Allnatt London £1.71m.

IN THE YEAR to March 31, 1975, profits of Allnatt London Properties, including dividends from associate companies, improved from £1,670,967 to £1,714,870. Tax up from £569,000 to £694,000, leaves £1,020,870 compared with £1,101,967.

At halfway, reporting a rise in taxable profits from £728,100 to £764,600, the directors thought that, in the absence of transitional ACT relief, full-year profits after tax might just fall short of £1m.

Full-year earnings are shown to be down from 5.66p to 5.28p per 25p share. The dividend is lifted from 2.9925p to the maximum permitted 3.1775p net with a final of 2.34p.

Dividends cost £468,350 (£440,090) after a waiver by Mr. R. W. Diggens of £160,150 (£158,410).

Best and May improves

STOCKISTS and distributors of electrical equipment and plant, Best and May, reports turnover up from £2.02m. to £2.63m. for the year to April 30, 1975, and an increase in profits from £166,243 to £194,883 before tax of £101,500 compared with £86,000.

First half profit was £105,129 against £65,170 before tax.

The final dividend is 1.612p net lifting the total from 2.13675p to 2.272p.

Peak £0.3m. for Smith Wallis

A SHARP rise in second half pre-tax profit of Smith Wallis and Co. from £112,127 to £248,586 leaves the total for the year to March 31, 1975 up from £172,459 to a record £309,505, on turnover ahead from £1.08m. to £1.59m.

Earnings per 25p share are shown to have doubled to 16.8p and a final dividend of 1.56p net raises the total from 2.415p to 2.56p.

Tax charge for the year increased from £88,474 to £141,268, leaving £168,237, against £83,985.

Barker and Dobson sets out recovery measures

THE LOSS incurred by Barker and Dobson for the year ended March 29, 1975 emerges at £2.24m. at the pre-tax level, and reflecting a £1.8m. special write-off of goodwill and other items the year's total deficit comes out at £3.8m.

This result follows the report last month of problems at the Oakeshotts subsidiary, and also in the confectionery area, and the warning by acting chairman Mr. G. Clarkson that the year's loss would be substantially greater than the £392,000 shown at half-time.

He reports that the results reflect substantial losses in Oakeshotts and some loss in the confectionery manufacturing division. It was believed at the interim stage that the loss trend, experienced during the first half, had been reversed, but this view had been based on management accounts, which it was subsequently discovered, contained a series of inaccuracies about the true trading position.

Having discovered these inaccuracies, Arthur Andersen and Co. were called in to examine the situation at Oakeshotts.

Andersen's report indicates a decline in margins caused by a high level of promotion sales, inadequate retail pricing and or uncontrolled local purchasing in a period of steeply rising costs, together with excessive warehouse stock losses.

The Board has acted on this report and Andersen has been asked to implement its recommended changes in the accounting systems and internal controls.

The confectionery manufacturing division has been examined by P.A. Management Consultants and, acting on its recommendations, factories at Blackpool and Southport have been closed and extensive rationalisation has been made in the remaining factories, reports Mr. Clarkson.

There are still more changes to be made to improve the position and despite the results the company does not have a liquidity problem. A progress report will be prepared as soon as practical to keep holders fully informed about action being taken.

During the year a gain of £180,000 was made on the realisation of surplus properties: and extraordinary gains of £681,000 and £61,000 were made on the sale of the grocery wholesale and the confectionery wholesale businesses respectively. These gains include further write-offs of goodwill of £364,000. Against these gains were extraordinary costs of £498,000 on the closure of two confectionery factories and subsequent rationalisation.

No dividend is proposed. For 1973-74 a total of 0.85p was paid from pre-tax profits of £1.38m.

	1974-75 £000	1973-74 £000
Sales	77,579	81,392
Manufacturing	18,249	18,070
Wholesaling	32,424	39,196
Retailing	26,797	24,118
Loss	1,914	*1,613
Manufacturing loss	561	*[illegible]
Wholesaling loss	121	*251
Retailing loss	1,232	*[illegible]
Establishment charges	244	218
Financial charges	263	[illegible]
Profit on sales	180	251
Loss before tax	2,243	*1,385
Tax credit	17	[illegible]
Net loss	2,226	*[illegible]
Extraordinary debits	1,556	300
Total loss	3,782	*[illegible]

* Profit ... charge.

● comment

Barker's plunge into the red constitutes a pre-tax turnround of £3.4m.—but the shares edged 1p higher to 3½p yesterday with the market latching on to Barker's statement on liquidity plus the promise of further improving "changes" in the group. At March 1974, Barker's net borrowings totalled £4.1m. against tangible shareholders' funds of £6.3m. Since then the group has sold large chunks of its wholesaling operations (for around £3.8m.), put a couple of manufacturing plants up for sale and reduced its overall workforce by a quarter—hence Barker's confidence over liquidity. The 1974-75 balance sheet will be published next month. Meantime, a plethora of main Board and middle management departures over the past year plus the presence of auditors and management consultants would indicate an honest attempt to wipe the slate clean.

Standard Trust dips at midway

FIRST-HALF 1975 revenue of the Standard Trust showed a marginal reduction from £1,033,538 to £990,330, before tax of £407,861 against £391,167.

To reduce disparity, the interim dividend is stepped up from 1.1725p to 1.5p net. For the year 1974 dividends totalling 3.93625p were paid.

Net asset value per 25p Ordinary share is stated at 141.8p against 93.9p at December 31, 1974.

INTERIM REPORT (Unaudited)—Half-year to 30th June, 1975.

	Half year 1975 £	1974 £
Revenue*	1,095,881	1,135,946
Management expenses	38,052	34,374
Debenture interest	67,500	67,500
Revenue before tax	990,330	1,033,538
Corporation tax	227,801	180,529
Imputed tax etc.	180,060	210,846
Net revenue	582,469	642,[illegible]
Preference dividend	26,562	26,562
Interim Ordinary	345,000	269,675

* Comprises income including imputation £756,778 (£900,291) and short-term deposit interest £339,103 (£235,325), including withholding taxes £24,[illegible] (£28,[illegible]).

Second half downturn at BB & EA

After a rise from £96,000 to £126,000 in the first half, taxable profits of British Building and Engineering Appliances finished the year to March 31, 1975, down from £277,879 to £246,883. Sales slipped from £1.73m. to £1.6m.

The final dividend is 1.426p making 2.326p (same) net.

Tax for the year takes £149,093 (£146,126) leaving net profit at £97,792 (£123,263 after transfer to deferred tax £6,400).

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	at market value (7)	Investment Currency Premium (see note g) (8)
				Pence except where £ stated (see note d)			
	VALUATION MONTHLY						
117.2	Alliance Trust	Ord. Stock 25p	30/6/75	5.25	212.7	224.0	53.1
18.6	Capital & National Trust	Ord. & "B" Ord. 25p	30/6/75	*3.1	113.8	117.8	22.1
6.5	Claverhouse Investment Trust	Ordinary 50p	30/6/75	2.6	64.9	64.9	1.1
5.1	Direct Spanish Telegraph	Ordinary 25p	27/6/75	3.5	55.1	56.5	6.3
11.4	Dundee & London Investment Trust	Ordinary 25p	30/6/75	1.7	37.6	59.4	3.6
68.2	Edinburgh Investment Trust	Deferred £1	30/6/75	4.85	205.1	224.2	47.6
32.7	First Scottish American Trust	Ordinary 25p	1/7/75	2.2	86.3	90.7	18.9
8.9	Grange Trust	Ord. Stock 25p	30/6/75	1.474	73.0	79.0	14.5
47.6	Great Northern Investment Trust	Ordinary 25p	30/6/75	3.06	93.1	96.3	9.4
46.6	Guardian Investment Trust	Ordinary 25p	30/6/75	1.73	74.2	79.8	10.7
70.4	Investment Trust Corporation	Ordinary 25p	30/6/75	4.327	201.9	209.2	49.0
59.9	Investors Capital Trust	Ordinary 25p	30/6/75	1.0	77.8	85.3	25.1
11.6	Jardine Japan Investment Trust	Ordinary 25p	31/5/75	0.85	115.6	115.6	16.4
5.1	Kingside Investment Co.	Ordinary 20p	30/6/75	1.75	50.9	32.1	2.3
25.4	London & Holyrood Trust	Ordinary 25p	30/6/75	2.35	106.2	111.6	23.7
18.0	London & Montrose Investment Trust	Ordinary 25p	30/6/75	3.65	178.2	183.4	39.9
34.6	London & Provincial Trust	Ordinary 25p	30/6/75	2.4	106.2	109.5	24.6
90.9	Mercantile Investment Trust	Ordinary 25p	30/6/75	1.61	37.2	43.3	4.4
	Do. Do.	Conv. Deb. 1983	30/6/75	£4.50	£39.00	£65.10	£6.60
39.1	Northern American Trust	Ordinary 25p	1/7/75	2.2	90.6	97.1	20.7
4.2	Save & Prosper Linked Inv. Trust	Cap. Shares	2/7/75	—	88.7	88.7	—
37.3	Scottish Northern Investment Trust	Ordinary 25p	5/7/75	2.3375	82.2	93.1	17.0
82.5	Scottish United Investors	Ordinary 25p	30/6/75	§1.87	91.0	96.6	27.2
38.3	Second Alliance Trust	Ord. Stock 25p	30/6/75	4.2	179.9	191.2	45.9
2.4	Shires Investment Co.	Ordinary 25p	30/6/75	5.6	94.7	94.7	—
31.0	Sterling Trust	Ordinary 25p	30/6/75	3.65	166.7	176.0	36.6
55.8	United British Securities	Ordinary 25p	30/6/75	6.4	239.1	242.7	48.2
	Baillie Gifford & Co.						
82.4	Scottish Mortgage & Trust	Ordinary 25p	30/6/75	2.3	119.3	122.2	29.1
71.8	Edinburgh & Dundee Investment	Ordinary 25p	30/6/75	2.7	148.4	153.1	38.1
45.1	Monks Investment Trust	Ordinary 25p	30/6/75	1.05	53.4	54.9	12.7
12.2	Winterbottom Trust	Ordinary 25p	30/6/75	3.325	203.0	217.9	47.6
	Baring Bros. & Co. Ltd.						
29.8	Outwich Investment Trust	Ordinary 25p	4/7/75	1.75	94.7	104.9	15.0
20.2	Tribune Investment Trust	Ordinary 30p	30/6/75	8.5	756.6	763.9	216.7
	Cripps Warburg Ltd.						
10.2	Sizewell European Inv. Trust	Ordinary 10p	23/6/75	1.0	87.4	87.4	13.2
2.8	Atlanta, Baltimore & Chicago	Ordinary 10p	30/6/75	0.4	*53.4	*53.4	*12.1
3.4	West Coast & Texas Regional	Ordinary 10p	30/6/75	0.45	*66.8	*66.8	*13.8
	Edinburgh Fund Managers Ltd.						
51.4	American Trust	Ord. & "B" Ord. 25p	30/6/75	*1.35	40.4	42.6	4.9
†	Crescent Japan Investment Trust	Ordinary 50p	30/6/75	†	†	†	†
	F. & C. Group						
12.8	Alliance Investment	Ordinary 25p	13/6/75	3.87	191.8	203.7	37.0
18.0	Cardinal Investment Trust	Deferred 25p	30/6/75	4.25	164.3	174.6	26.3
	Do. Do.	Conv. Loan 1985 87	30/6/75	£6.00	£88.70	£94.30	£14.20
†	City & Gracechurch Inv. Trust	Ordinary 25p	30/6/75	†	†	†	†
	Do. Do.	Conv. Ord. 25p	30/6/75	†	†	†	†
†	F. & C. Eurotrust	Ordinary 25p	30/6/75	†	†	†	†
124.1	Foreign & Colonial Inv. Trust	Ordinary 25p	30/6/75	2.412	159.9	170.9	43.5
17.5	General Investors & Trustees	Ordinary 25p	30/6/75	2.8	102.5	110.1	14.8
	Gartmore Investment (Scotland) Ltd.						
52.5	Scottish National Trust	Ordinary 25p	30/6/75	2.66	140.0	145.8	31.5
13.5	Glasgow Stockholders Trust	Ordinary 25p	30/6/75	2.8	149.6	157.8	35.5
	John Govett & Co. Ltd.						
62.6	Border & Southern Stockholders Tst.	Ordinary 50p	30/6/75	4.5	*288.4	*299.0	*57.3
29.3	Debenture Corporation Ltd.	Ordinary 25p	30/6/75	2.3	87.6	82.6	16.7
8.9	General Stockholders Inv. Trust	Ordinary 25p	30/6/75	4.0	407.2	463.4	112.5
18.8	Govett European Investment Trust	Ordinary 25p	30/6/75	1.6	89.3	80.3	33.9
45.9	Lake View Investment Trust	Ordinary 25p	30/6/75	1.5	89.4	94.7	17.8
	Do. Do.	Conv. Loan 1973 98	30/6/75	£4.00	£119.20	£126.90	£23.70
24.8	London & Aberdeen Inv. Trust	Prefd. & Defd. 5p	30/6/75	1.55	140.4	133.5	26.5
47.3	Stockholders Investment Trust	Ordinary 30p	30/6/75	5.5	370.5	396.7	83.0
	G.T. Management Ltd.						
12.6	Berry Trust	Ordinary 25p	30/6/75	0.6125	52.9	54.1	7.0
	Do. Do.	Conv. Loan 1993	30/6/75	£4.25	£76.60	£78.40	£10.10
8.5	G.T. Japan Investment Trust	Ordinary 25p	30/6/75	§1.5	109.5	109.5	18.1
5.6	Northern Securities Trust	Ordinary 25p	30/6/75	2.45	108.1	117.5	16.5
	Hambros Group						
24.3	Hambros Investment Trust	"A" & "B" Ord. 25p	30/6/75	*4.0	96.1	111.0	13.8
†	Bishopsgate Property & Gen. Inv.	Ordinary £1	30/6/75	†	†	†	†
16.8	Bishopsgate Trust	Ordinary 25p	28/6/75	4.0	168.1	178.8	14.9
10.7	Hellenic & General Trust	Ordinary 10p	30/6/75	0.42	41.6	51.1	—
2.5	City of Oxford Investment Trust	Ordinary 25p	30/6/75	2.2	47.3	53.8	0.7
4.6	Rosedimond Investment Trust	Cap. Shares 25p	30/6/75	—	50.4	59.4	8.8
	Henderson Administration Ltd.						
102.9	Witan Investment	Ord. & "B" Ord. 25p	30/6/75	*1.5	*83.9	100.0	24.7
15.2	Electric & General Investment	Ordinary 25p	30/6/75	1.0	79.4	88.8	22.9
†	Washington Investment Co.	Ordinary 25p	30/6/75	†	†	†	†
4.5	Greenfriar Investment	Ordinary 25p	30/6/75	0.95	89.3	89.3	22.1
4.5	Mendip Investment	Ordinary 25p	30/6/75	1.0	82.8	90.6	23.7
4.5	Lowland Investment	Ordinary 25p	30/6/75	1.45	45.5	45.5	4.1
	Philip Hill (Management) Ltd.						
13.7	City & International Trust	Ordinary 25p	30/6/75	2.4	*86.1	93.2	14.7
7.6	General & Commercial Inv. Trust	Ordinary 25p	30/6/75	3.4	118.4	129.1	18.7
15.6	General Consolidated Inv. Trust	Ordinary 25p	30/6/75	2.25	72.1	78.4	10.6
85.6	Philip Hill Investment Trust	Ordinary 25p	30/6/75	5.0	*146.5	155.0	8.7
2.9	Moorgate Investment Co.	Ordinary 25p	30/6/75	2.025	55.4	38.7	3.1
27.8	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	30/6/75	5.6	109.2	211.9	43.1
	Ivory & Sime						
73.3	British Assets Trust	Ordinary 25p	30/6/75	1.225	54.7	61.4	10.5
24.1	Second British Assets Trust	Ordinary 25p	30/6/75	1.5	167.6	175.6	39.3
29.2	Atlantic Assets Trust	Ordinary 25p	30/6/75	0.8	65.5	71.3	16.5
10.2	Viking Resources Trust	Ordinary 25p	30/6/75	0.55	82.4	88.4	11.4
	Leopold Joseph & Sons Ltd.						
3.1	Anglo-Welsh Investment Trust	Ordinary 50p	30/6/75	1.27	52.2	53.9	—
	Do. Do.	Conv. Pref. 50p	30/6/75	4.375	52.2	53.9	—
4.5	Leopold Joseph Investment Trust	Ordinary 25p	8/7/75	1.4	*31.4	100.4	0.1
4.4	Thanet Investment Trust	Ordinary 50p	16/6/75	2.37	63.1	68.8	—
	Keyser Ullmann Ltd.						
20.5	Throgmorton Trust	Ordinary 25p	30/6/75	3.3025	38.2	44.0	—
7.1	Throgmorton Secured Growth Tst.	Cap. Loan Stk. £1	30/6/75	—	7.7	63.2	—

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	at market value (7)	Investment Currency Premium (see note g) (8)
				Pence except where £ stated (see note d)			
	Lazard Bros. & Co. Ltd.						
13.2	Embankment Trust	Ordinary 25p	31/5/75	1.95	*86.6	90.9	19.0
43.1	Raeburn Investment Trust	Ord. Stock 25p	30/6/75	3.0	134.5	141.7	28.5
†	Romney Trust	Ord. Stock 25p	30/6/75	†	†	†	†
	Martin Currie & Co., C.A.						
8.6	Canadian & Foreign Inv. Trust	Ordinary 25p	30/6/75	2.4	109.6	114.6	22.9
14.8	St. Andrew Trust	Ordinary 25p	30/6/75	3.25	115.6	122.8	23.0
74.8	Scottish Eastern Investment Trust	Ordinary 25p	30/6/75	2.0	127.0	134.8	31.8
19.6	Scottish Ontario Investment Co.	Ordinary 25p	30/6/75	2.7	133.7	136.9	33.5
43.5	Securities Trust of Scotland	Ordinary 25p	30/6/75	4.7	137.7	183.0	36.3
†	Western Canada Investment Co.	Ordinary 25p	30/6/75	†	†	†	†
	Murray Johnstone Ltd.						
33.8	Caledonian Trust	Ord. & "B" Ord. 25p	30/6/75	*1.225	75.1	78.8	18.7
51.8	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	30/6/75	*1.5	71.8	75.4	17.3
13.8	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/6/75	*2.1	*85.6	*91.0	*20.0
4.9	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	30/6/75	*1.35	73.7	73.7	20.2
16.6	Scottish & Continental Investment	Ordinary 25p	30/6/75	1.0	*71.8	*71.8	*15.9
56.9	Scottish Western Investment	Ord. & "B" Ord. 25p	30/6/75	§*2.0	90.5	98.5	21.7
18.2	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/6/75	§*1.6	83.2	88.0	21.5
	Naydale Ltd.						
3.5	Simonside Investment Co.	Ordinary £1	30/6/75	§1.3	*80.3	*83.0	*14.0
	N. M. Rothschild & Sons Ltd.						
4.8	Equity Consort Investment Trust	Ordinary £1	20/6/75	5.4225	*137.3	137.4	*3.6
	Do. Do.	Deferred 50p	20/6/75	2.025	*74.6	74.9	*7.3
	Do. Do.	Conv. Loan 1994	20/6/75	£4.75	£87.50	£87.50	£5.00
7.3	Equity Income Trust	Ordinary 50p	20/6/75	7.035	153.3	172.8	8.2
	Schroder Wagg Group						
16.1	Ashdown Investment Trust	Ordinary 25p	30/6/75	2.925	*132.0	142.5	28.0
	Do. Do.	Conv. Loan 1988/93	30/6/75	£4.75	£93.40	£99.80	£19.60
22.2	Broadstone Investment Trust	Ordinary 20p	30/6/75	3.09	*138.1	151.0	28.6
	Do. Do.	Conv. Loan 1988/93	30/6/75	£4.50	£93.00	£100.70	£19.10
36.7	Continental & Industrial Trust	Ordinary 25p	30/6/75	3.65	183.2	200.1	38.3
22.2	Trans-Oceanic Trust	Ordinary 25p	30/6/75	3.35	163.5	174.8	35.7
	Do. Do.	Conv. Loan 1988/93	30/6/75	£4.50	£102.20	£109.30	£22.30
9.6	Westpool Investment Trust	Ordinary 25p	30/6/75	2.125	*95.2	102.9	18.3
	Do. Do.	Conv. Loan 1989/94	30/6/75	£5.00	£87.00	£92.60	£16.50
	Stewart Fund Managers Ltd.						
50.0	Scottish American Investment Co.	Ordinary 50p	30/6/75	1.75	*68.8	73.1	12.0
17.2	Scottish European Investment Co.	Ordinary 25p	30/6/75	1.1	32.0	32.0	10.0
	Touche Remnant & Co.						
68.6	Atlas Electric & General Trust	Ordinary 25p	30/6/75	1.15	52.1	55.7	6.3
24.1	Bankers' Investment	Ordinary 25p	30/6/75	1.9	55.1	60.3	7.5
12.6	C.L.R.P. Investment Trust	Ordinary 25p	30/6/75	1.25	*66.9	*73.9	*9.9
23.6	Cedar Investment Trust	Ordinary 25p	30/6/75	1.7	83.7	87.0	9.2
28.3	City of London Brewery	Deferred 25p	30/6/75	1.9	51.8	56.7	2.3
21.9	Continental Union Trust	Ordinary 25p	30/6/75	1.91	108.0	115.4	18.1
126.6	Industrial & General Trust	Ordinary 25p	30/6/75	1.14	48.8	51.6	8.0
27.1	International Investment Trust	Ordinary 25p	30/6/75	1.8	*69.8	*76.0	*11.7
35.2	Sphere Investment Trust	Ordinary 25p	30/6/75	2.04	104.7	111.8	20.8
36.7	Standard Investment Trust	Ordinary 25p	30/6/75	3.81875	141.0	152.2	28.0
25.7	Trust Union	Ordinary 25p	30/6/75	2.0	102.3	108.3	15.6
46.3	Trustees Corporation	Ordinary 25p	30/6/75	2.95	132.0	139.2	23.4
	VALUATION THREE-MONTHLY						
2.7	East and West Investment Trust	Ordinary 25p	30/6/75	1.0	40.0	40.0	2.8
8.1	General Scottish Trust	Ordinary 25p	30/6/75	2.6	76.1	78.7	13.1
	Do. Do.	Conv. Loan 1995-2000	30/6/75	£5.50	£96.60	£100.00	£17.10
1.4	Lancashire & London Inv. Trust	Ordinary 25p	7/7/75	1.865	34.0	34.0	2.0
23.7	London Scottish American Trust	Ord. Stock 25p	30/4/75	*3.25	128.3	137.3	27.4
51.3	London Trust	Deferred 25p	30/6/75	7.25	109.1	178.0	1.0
	Do. Do.	Conv. Loan 1985 87	30/6/75	£6.00	£98.00	£104.20	£9.70
21.6	North Atlantic Securities Corpn.	Ordinary 25p	30/6/75	1.8	101.1	105.2	26.0
6.9	Safeguard Industrial Investments	Ordinary 25p	30/6/75	2.7	57.8	60.3	—
4.4	Scottish Cities Investment Trust	Ord. & "A" Ord. 25p	7/7/75	7.9	132.0	136.0	8.5
17.5	United States & General Trust	Ordinary 25p	30/6/75	3.953	188.5	198.8	41.9
41.7	United States Debenture Corpn.	Ord. Stock 25p	30/4/75	2.42	87.9	92.3	19.0
	Do. Do.	Conv. Loan Stk. 1993	30/4/75	£5.00	£97.00	£101.50	£20.90
11.7	Yeoman Investment Trust	Ordinary 25p	30/6/75	4.5225	*159.9	171.5	20.0
	Do. Do.	Conv. Loan 1993	30/6/75	£4.50	£95.70	£99.20	£11.00
3.3	Young Companies Investment Trust	Ordinary £1	30/6/75	2.6	50.9	50.9	8.0
	East of Scotland Investment Mngrs.						
34.3	Aberdeen Trust	Ord. Stock 25p	30/6/75	3.35	131.5	142.5	25.5
9.1	Dominion & General Trust	Ordinary 25p	31/5/75	5.25	184.5	198.8	44.5
21.4	Pentland Investment Trust	Ordinary 25p	31/5/75	2.65	106.2	114.7	25.0
	Electra House Group						
129.6	Cable Trust	Ordinary 25p	30/6/75	4.2	148.8	150.0	15.4
	Do. Do.	Conv. Loan 1985-90	30/6/75	£6.25	£121.90	£122.90	£12.60
107.0	Globe Investment Trust	Ordinary 25p	30/6/75	2.7	*98.6	*102.3	*8.4
	Do. Do.	Conv. Loan 1987-91	30/6/75	£5.50	£78.10	£81.10	£6.70
55.1	Electra Investment Trust	Ordinary £1	30/6/75	19.2	838.0	850.3	114.7
17.3	Telephone & General Trust	Ordinary 25p	30/6/75	6.5	*161.6	*173.8	*11.0
	Do. Do.	Conv. Loan 1987/91	30/6/75	£6.00	£64.60	£69.70	£4.40
8.3	Temple Bar Investment Trust	Ordinary 25p	30/6/75	4.5	*115.2	*123.4	*9.4
	Do. Do.	Conv. Loan 1985/90	30/6/75	£5.75	£81.30	£87.10	£6.60
	Gartmore Investment Ltd.						
4.9	Altifund	Income 30p	30/6/75	6.33	101.0	101.0	—
	Do. Do.	Capital 50p	30/6/75	0.3165	155.7	155.7	4.6
20.1	Anglo Scottish Investment Trust	Ord. & "B" Ord. 25p	30/6/75	*1.3475	46.5	50.0	8.5
2.4	Ashmole Investment Trust	Ordinary 25p	30/6/75	1.15	50.0	50.0	5.2
13.0	English & Caledonian Investment	Ordinary 25p	30/6/75	2.1	82.5	86.9	13.2
19.8	English & Scottish Investors	Ord. & "B" Ord. 25p	30/6/75	*3.25	152.4	166.3	33.3
†	Group Investors	Ord. & Dfd. Ord. 25p	30/6/75	†	†	†	†
4.5	London & Gartmore Inv. Trust	Ordinary 25p	30/6/75	0.21	73.2	79.6	19.7
7.8	London & Lennox Inv. Trust	Ord. & "B" Ord. 25p	30/6/75	*1.65	74.3	79.3	16.2
15.4	London & Lomond Inv. Trust	Ordinary 25p	30/6/75	1.7	65.1	67.5	11.3
9.6	London & Strathclyde Inv. Trust	Ordinary 25p	30/6/75	1.2	44.8	50.4	10.3
7.9	Meldrum Investment Trust	Ordinary 25p	30/6/75	1.4	39.1	38.1	1.1
5.8	New York & Gartmore Investment	Ordinary 25p	30/6/75	0.8	32.3	32.3	3.5
	Kleinwort Benson Ltd.						
14.3	Brunner Investment Trust	Ordinary 25p	30/6/75	2.42875	82.9	86.5	12.7
23.4	Charter Trust & Agency	Ordinary 25p	30/6/75	1.5	50.9	55.0	10.0

* Applies to Ordinary/"A" Ordinary only. §=includes special dividend. ac=adjusted for scrip issue. ar=adjusted for rights issue. † Company will announce year-end or scrip results shortly. K, W see note (h) below. ☐ Valuation Two-monthly.

(b) Cols. 3, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of any investment currency premium [illegible]

(c) Cols. 1, 6, 7 All revenue account items are excluded. [illegible]

(d) Cols. 6, 7 [illegible]

(e) Cols. 6-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. [illegible]

(f) Col. 5 Dividend is the last declared annual dividend [illegible]

(g) Cols. 6-7 Prior charges are deemed to include preference share capital.

(a) Col. 8 The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for cols. 1, 6 and 7.

(h) Cols. 6-8 Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower n.a.v. per share. [illegible]

AITC

A booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London, EC2M 7JJ.

Distillers profits fall by £13m. to £71m.

TURNOVER for the year to March 31, 1975, of the Distillers Company expanded from £542.13m. to £617.11m., but trading profit fell from £89.17m. to £79.84m., and, after investment income and higher interest charges, pre-tax profits contracted from £84.16m. to £71.02m.

	1974-75 £000	1973-74 £000
Turnover	617,000	542,127
Trading profit	79,837	89,171
Investment income*	2,236	2,013
Interest charges†	11,652	7,026
Profit before tax	71,021	84,158
Taxation	37,361	43,903
Minority	208	208
Leaving	33,252	41,047
Profit associate	2,755	2,813
Less tax	1,391	1,327
Making	34,616	42,333
Extraord. debits	3,662	16,988
Attributable	30,954	25,545
Interim dividend	7.309	7.309
Final proposed	12,231	11,112
Retained	11,412	7,124

* Includes associated tax credit £725,000 (£567,000) on U.K. dividends received. † After deducting interest earned £266,000 (£897,000).

A lower tax charge and minorities provisions leave £33.25m. compared with £41.05m. After a contribution of £1.36m. (£1.49m.) net of tax from associates and a reduced debit of £3.66m. (£16.99m.) for extraordinary items, the attributable surplus is up from £25.55m. to £30.95m.

At halfway, reporting a rise in taxable profits from £37.64m. to £44.11m. and an attributable balance of £21.3m. against £19.06m., the directors said that full-year results were likely to be in line with those for 1973-74.

Full-year earnings per 50p share are shown to be down from 11.7p to 9.5p. The dividend is lifted from 5.0723p to 5.381p net with a final of 3.3685p.

The trading profit is struck after charging depreciation of £7.6m. (£6.83m.), an exchange loss on Swiss loans of £1.36m. (£0.73m.), and other net exchange losses of £0.73m. (profits £0.95m.). Figures for 1973/74 have been adjusted to exclude £897,000 interest earned and to include £236,000 surplus on disposal of fixed assets—treated last year as an extraordinary item.

Extraordinary items comprise a special supplementary contribution to group pension fund of £2,544,000 (nil), expenditure relating to settlement of thalidomide claims £1,209,000 (£6,124,000), annual payment to the Thalidomide Children's Trust £1,070,000 (£974,000), provision for future annual payments nil (£8,234,000), released from the provision £1,070,000 (nil), deferred taxation adjustment nil (£8,516,000). ACT credit nil (£8,990,000), a surplus on realisation of investment nil (£4,273,000) and other credit items of £91,000 (debits £403,000).

The directors say that profitability of most sections for the year as a whole was disappointing, as a result of escalating costs and worsening economic conditions.

The last quarter failed to come up to expectations in a number of markets, including the important American market. There, as a result of a threatened longshoremen's strike the market was fully stocked up by the end of September with the quantity of group brands likely to be required for the Christmas trade.

A resumption of shipments was expected in the first three months of 1975, but owing to the reduction in business confidence coupled with high unemployment and short time working, sales in the holiday season in the U.S. were slow. Consequently the expected re-stocking did not emerge.

See Lex

Scottish & Newcastle off 4%—£21m. rights

A RECOVERY in second half profits is evident from preliminary figures issued by Scottish and Newcastle Breweries showing a marginal fall of around 4 per cent. for the year ended April 27, 1975. In addition plans to raise some £21m. by way of a rights issue are also announced.

In the second half of 1974-75 profits rose by some 9 per cent. to £10m., partially offsetting the fall of 13.2 per cent. reported for the first six months and leaving the year's total at £22.19m., compared with £23.23m.

The results were struck after heavier interest of £3.37m. (£2.93m.), charging £802,000 for the buy out of the Tyne Brewery productivity schemes, and extra depreciation of £470,000 as a result of last year's property revaluation.

After tax, minorities and taking in extraordinary credits of £35,000 (£740,000), the net attributable balance emerges at £10.34m., against £11.78m. Earnings per 20p share are stated at 4.49p, compared with 4.83p.

The dividend is raised by the permitted maximum — from 2.39976p to 2.52252p net, with a final of 1.68252p. An at least maintained total is forecast for the current year on the increased capital.

	1974-75 £000	1973-74 £000
Turnover	246,942	199,672
Trading profit	32,054	29,033
Depreciation	6,165	4,947
Investment income*	1,493	1,081
Making	27,382	25,167
Interest charged	3,369	2,933
Productivity settlement	802	—
Share of associates	987	995
Profit before tax	22,198	23,229
Taxation	11,888	12,212
Net profit	10,310	11,017
Minorities	6	725
Extraordinary credits	35	740
Attributable	10,339	11,782
Dividends	6,022	3,735
Added to reserve	4,317	6,027

* Comprises income from unquoted investments £780,000 (£685,000)—less dividend from associate £400,000 (£667,000)—quoted investments £28,000 (£36,000); loans to customers £1,039,000 (£795,000); and short term deposits £46,000 (£29,000). † Loss. Comprises: profit on repurchase of debenture stocks £443,000 (£263,000), profit on disposal of properties £106,000 (£435,000); and profit on sale of investment £7,000 (nil); Less loss on sale and repurchase of holding in Reo Stakis Organisation £521,000 (nil).

Chairman Mr. P. E. G. Balfour reports that beer and lager sales for the 52 weeks showed a volume increase of 1.9 per cent. In the first half, sales were affected by a can shortage, and there was a shortage of bottles at Christmas. Sales of premium keg beers have continued to increase and gains in the free trade were made throughout Great Britain, he adds.

The hotels division made a good recovery during the year but there was a decline in trading results from managed houses, and the total retail trading profit showed a fall of 3 per cent.

Waverley Vintners, in spite of increased sales, showed some fall in profit due to adverse trading conditions.

Sales of beer and lager in the current year are well ahead of last year, but sales of wines and spirits have not recovered from the effect of the Chancellor's Budget, members are told.

Commenting on the group's diversification programme Mr. Balfour says that this has had mixed success. Del Monte Kitchens, owned jointly with Del Monte Foods, opened its new factory in June, for the production of quality frozen foods. He believes that the products will fit a growing need in the market and will be of assistance in cutting the cost of catering operations in licensed estate as well as improving quality.

The Simi Winery has been affected by the recession in the U.S. and the sharp down-turn in the profitability of the U.S. wine trade. Losses in the first year of ownership (£370,000 including interest of £242,000) were heavier than anticipated and steps are being taken to improve the situation.

The group is engaged in the creation of a golf and leisure centre at St. Cyprien in Southern France. The directors have been concerned about the progress and eventual outcome of the undertaking, in view of increased costs, the deterioration in the economic climate and potential difficulties and delays in real estate disposals. In light of the increased risks and less than satisfactory financial projections arising from these factors, they are undertaking a thorough review of the project.

The rights issue is of 54.4m. new Ordinary shares on a one-for-four basis at 40p and is offered to Ordinary holders registered on July 11 payable in full on acceptance not later than August 26 at 3 p.m.

The issue has been underwritten by J. Henry Schroder Wagg and Co. and brokers to the issue are Hoare and Co. Govett and Bell Lawrie Macgregor and Co.

Explaining the reasons for the issue the directors point out that in the past two years the group has modernised and expanded its brewing and canning facilities. In order to obtain maximum flexibility and economy of operation, it is now desirable to bring the remainder of the group's bottling and filling plant into line.

Within the group's regional distribution network some of the depots were designed and constructed before the introduction of modern mechanical handling equipment and are thus becoming less economic to operate. In consequence over a period the distribution network will require to be redeveloped.

The group sees opportunities for the construction and reconstruction of public houses in key areas where new developments are taking place.

Subject to the passing of the necessary resolution and to the admission of the new shares to the list it is intended to post provisional allotment letters on August 5.

It is expected that dealings will commence (nil paid) in the new shares on August 6.

A summarised group balance sheet at April 27 shows fixed assets at £174.76m. (£118.09m.). Net current assets were up from £6.56m. to £22.15m., reflecting higher stocks and debtors; the overdraft stood at £18.09m. (£15.19m.).

See Lex

Tribune Trust revenue up at halfway

Revenue, before tax, of the Tribune Investment Trust improved from £302,817 to £326,393 in the six months ended June 30, 1975, and the net figure emerged little changed at £172,948, against £174,442.

The interim dividend is unchanged at 2.8p per 50p share. For 1974 a total of 8.5p was paid.

Net asset value per share is shown at 75½p compared with 58½p.

Bowthorpe agreement

Hellermann Deutsch, a division of the international Bowthorpe group, has announced a trading agreement with Aid Components of Horley, Sussex.

Under the arrangement, Aid will act as distributor for the Hellermann Deutsch pattern 602 connectors, the standard airframe connector.

REDMAN HEENAN

Redman Heenan International wishes to point out that its subsidiaries that have the Heenan name, such as Heenan Environmental Systems, Heenan Drives and Heenan Coolers, have no connection whatsoever with Heenan Spark.

BIDS AND DEALS

Central Mfg.—LCP talks

BY MARGARET REID

DISCUSSIONS which Central Manufacturing and Trading Group, the Dudley-based steel stockholding, engineering and asbestos concern, yesterday disclosed it was engaged in and which it said might lead to a merger, are with LCP Holdings, another Midlands group.

After the announcement that talks were under way, which did not mention LCP, the CMT share price closed 4p up at 62½p, which values the group at £11.8m. The shares have been an active market over recent months on recurrent take-over talk and have varied in 1975 between 20p and 70p.

LCP, whose headquarters is at Brierley Hill, is an industrial holding company, with interests including construction, distribution, stainless steel stockholding, manufacturing of steel tubes and seat mechanisms, and property. Its pre-tax profits in the year to March, 1975, were £2.4m., against £2.6m. in 1973-74, from sales of £61m., compared with £51m.

CMT made a profit of £3.6m., before tax and an extraordinary item, in the year to July, 1974, from £37m. of sales, compared with £2.0m., from sales of £26m., the previous year. An increased pre-tax profit of £1.9m., against £1.4m. was made in the first half of the current year, when sales rose to £23m. from £15m.

Mr. V. E. Beddard, a director of CMT, said yesterday: "Just preliminary talks have been going on between the two managing directors. It's in the very early stages."

He added that, although a lot of names had been suggested in recent months as possible bidders for the company, there had been no approach until very recently.

A Board spokesman at LCP declined to comment on the situation or the discussions. LCP's share price was unchanged at 46p, which compares with a 1975 range of 24p and 59p.

It is understood that J. Henry Schroder Wagg is the merchant bank advising LCP and that CMT will appoint advisers to it in the talks very shortly possibly to-day.

East and West Investment Trust between July 3 and 11 acquired an interest in a further 190,000 Chancery Consolidated Ordinary and its total interest is now 2,621,600 shares (20.06 per cent.).

Pentos has acquired a further 200,000 Concrete Ordinary. Total holding becomes 2,160,334 shares (about 23.2 per cent.).

German expansion by Airfix

Airfix Industries, the toy company which recently took over Triang Pedigree in a deal with the Department of Industry, is expanding into Germany. It has bought a majority stake in Plasty-Spielzeug of Neulssheim, West Germany for £1.41m. in cash.

Plasty, which has factory and warehouse premises of over 100,000 square feet, has been Airfix's agent in Germany since 1954. It has developed one of Germany's most successful dolls and has a turnover of £5.6m.—last year it made a pre-tax profit of £900,000.

The deal will give Airfix an immediate stake of 60 per cent. in Plasty, together with the right to purchase the balance for a minimum of £730,000, with the price being related to average profits earned by Plasty between now and the purchase date.

Airfix, which has a turnover of £24m., recently announced a £0.54m. profit rise to a record £2.6m. In May, it agreed to mount a rescue operation for Triang-Pedigree with a guarantee of up to £3.25m. offered by the Government. The Government itself took a one-third stake in Triang but the management is being left to Airfix.

Farnell out of Tandberg

Farnell Electronics is selling its U.K. subsidiary Farnell-Tandberg to Tandbergs Radiofabrikk of Norway for £929,000 cash payable in instalments. Until this year, Farnell has been distributing Tandberg audio and hi-fi equipment in Britain, but Tandberg has now set up its own manufacturing unit in this country.

The sale will considerably reduce Farnell's involvement in the domestic end of the electronics market, and proceeds will be used to expand component distribution and manufacture.

GLOUCESTER AND CHELTENHAM BID PENDING

Gloucester and Cheltenham Greyhounds announces that the shareholding of three of the directors, totalling 550,000 shares (59.5 per cent.) have been disposed of.

The purchasers, Suregain Securities, have notified the company that they purchased, for cash, 135,000 shares (14.63 per cent. at 50p, and will be making an unconditional offer on the same basis to all other shareholders as soon as possible.

CELCON BUYS

Celcon, of Kingsway, London, manufacturers of Celcon aerated concrete building blocks and ryarsh calcium silicate facing bricks, has acquired Noelite, which produces garden paving slabs and screen walling products.

SHARE STAKE

Wharf Mill Furnishers—Chancery Consolidated has purchased a further 283,500 Ordinary shares and an associate of Chancery has sold 10,000 shares. Total holding of Chancery and associates is now 1,036,717 shares.

Interests of Slater Walker Securities, its subsidiaries, investment trusts etc. in Cairnton Investment Trust as at June 27 were 279,000 Ordinary shares (15.5 per cent.). This is not a disclosure under the Companies Act.

DUNDEE CREMATORIUM

Dundee Crematorium Limited is in discussion with the Board of Stockport Borough Cemetery Company and its professional advisers with a view to making an offer for the share capital of Stockport. It is hoped the outcome will result in an agreed offer.

The Board of Stockport, who are being advised by Baring Brothers and Co., said they were considering the proposed terms and advised shareholders to take no action until further information and advice was received.

LONG JOHN BID UNCONDITIONAL

Acceptances of the offer by Whitbread for Long John International have so far been received in respect of 6,350,029 Ordinary shares (79.4 per cent.), of which 6m. (75 per cent.) are attributable to acceptance by Schenley Industries. The offer has become unconditional and remains open.

The offer to purchase for cash the Whitbread Loan stock issued remains open to July 22 and will not be extended.

ABERDEEN CONSTRUCTION

The combined book value of the assets of Parkinson and Parkinson-Twaddle at December 31, 1974 was £218,280, being made up of £410,607 in respect of Parkinson and a debit of £192,327 in respect of Parkinson Twaddle. In yesterday's report the book value of the two companies was put at £218,000 and £411,000 respectively.

ARG. SOUTHERN

Great Western Corporation Société Anonyme announces that Argentine Southern Land has now received Treasury consent, in terms and on conditions satisfactory to GWC, for ASL and its subsidiary to cease to be resident in the U.K. for tax purposes. Accordingly the last remaining condition to the GWC offer for ASL has been satisfied—the offer has become unconditional in all respects and remains open until further notice.

It has been accepted in respect of 3,813,051 stock units (95.06 per cent.).

Land and General rebels' victory

REBEL shareholders of Land and General Developments, the company formerly associated with Penny Brahms, won a surprise victory yesterday.

It was the latest episode in the company's troubled history. At an extraordinary meeting the shareholders narrowly beat the Board on the key issue of granting voting rights to shareholders who at present have no vote.

The rebel holders, while agreeing with enfranchisement, argued that compensation for those shareholders with a vote—three shares for every two shares they now have—was too generous. The Board needed a 75 per cent. majority—2,770,835 votes—but they only got 2,722,461.

The issue of voting rights is at present before the High Court. An application by the Department of Trade enforcing enfranchisement has been held over from last month until July 21, to hear the outcome of yesterday's vote.

One of the rebels, Mr. Jim Rowland-Jones, said: "I believe we should revert back to the original scheme of two for five." He believes that the rejected proposals would have meant non-voting shareholders, who currently hold 90 per cent. of the Land and General equity, would have seen their share drop to 76 per cent. of the equity and would have still been outvoted by the present controllers Somerston Shipping and Channel International Trust.

Other shareholders warned they will oppose a takeover bid shortly to be made by Somerston and Channel, who offered 18p for each non-voting share. But Mr. Philip Bligh, who has 405,000 non-voting shares, the largest number apart from the two concerned in control, said 30p a share was nearer the mark.

Cardiff plan for £26m. industry belt

By Our Cardiff Correspondent

A £26m. industrial development on farm and marsh land alongside the River Rhymney in Cardiff was announced yesterday.

The development will be backed by South Glamorgan County Council, which will begin compulsory purchase procedures as soon as clearance is given by the Secretary of State for Wales.

Land for the 1,000-acre development is expected to cost about £2.4m. with preparation work a further £24m.

Talks are to be held over the possibility of a Common Market loan.

The scheme is aimed at reversing the trend towards white-collar jobs in the Welsh capital and breaking the dependence on the steel industry which currently employs one-third of all skilled manufacturing workers in the city.

Major manufacturers are to be offered the opportunity of developing the site but the council may be forced to undertake the entire development, letting the site off in small units.

MINING NEWS

Breakthrough for big new Amax mine

BY LESLIE PARKER, MINING EDITOR

AFTER FOUR and a half years of round the clock work by Amax in Colorado a holing through has been achieved in the 9½-mile ore haulage tunnel which is part of the huge $400m. (£183m.) investment programme designed to bring the company's new Henderson molybdenum mine, 50 miles west of Denver, into production by the third quarter of next year.

Thanks to laser control the two tunnel headings were within inches of each other when the hole-through was achieved. When completed the entire 15-mile railway line on surface and through the tunnel will be double-tracked. Computer controlled unmanned trains will shuttle between mine and mill at 17-minute intervals to provide a 42,000 tons a day haulage capacity.

The tunnel is needed because the mine is on the eastern side of the continental divide whereas the processing plant is on the western side in the Williams Fork valley.

Planned annual production from the Henderson mine is 50m. lbs. of molybdenum nearly double Amax's present overall capacity of around 66m. lbs. Molybdenum has had a 7 per cent. consumption growth rate annually over the past 10 years and Amax expects this rate to continue in view of new uses that include arctic pipelines, lubricants, space auxiliary power, nuclear power generators and propulsion applications.

GREENBUSHES—VULTAN DEAL

Australia's Vultan Minerals and Greenbushes Tin have at last come to terms after a good deal of in-fighting during the past year. Our Perth correspondent reports that they have announced an agreement to rationalise their mining operation in Western Australia's Greenbushes tin-tantalite field.

Vultan has granted Greenbushes Tin sole rights to mine and treat ore from Vultan's current leases for three years from July 7. The consideration is $180,000 payable monthly with an option for a further year for $90,000. Under the agreement Vultan retains ownership of its leases, plant and equipment the maintenance of which Greenbushes is responsible for and is entitled to continue mining and treating ore until the end of October.

Under the terms of the abortive deal proposed last September Greenbushes was to acquire the entire Vultan operation for $120,000 and the issue of 100,000 of its shares. The latest deal leaves the company free to pursue its American oil and gas venture. Yesterday Vultan were unchanged at 18p.

MORE DRILLING AT CADIA

The Oremco (Australia) subsidiary of the Estel NV European steel and allied industries group has begun a drilling programme at Pacific Copper's Cadia copper-gold prospect at Orange in New South Wales. It is designed to up-date ore reserves which were last put at 27.33m. tons averaging 0.7 per cent. copper.

The first hole in the programme has cut 23 metres (75 feet) of ore grading 1 per cent. copper. This includes a 9-metre interval which averaged 1.85 per cent. copper together with 21 grams of silver and 1 gram of gold per ton. Oremco has a 40 per cent. stake in Cadia. Pacific Copper shares were 44p yesterday.

Red Lake gold search

THE GOLD SEARCH in the Red Lake area of Ontario in which Canada's Sabina Industries and Dickenson Mines are probing adjacent ground is enlivened by the latest news from the latter company which is drilling under the water from the shore of East Bay on the Abino Gold Mines property.

Quoted in the Northern Miner, Mr. A. W. White who heads the Dickenson operation says that "we would feel justified in going underground even at this early stage but we want to do more fill-in drilling before moving to that stage."

The granodiorite sill which is giving the gold passes in a northerly direction along the eastern part of Sabina's McFinley property for a strike length of two miles. The Red Lake district is one of Canada's main gold-producing areas. The attractions of the renewed prospecting are possible shallow low-grade ore occurrences with substantial widths that would be relatively cheap to extract. The established Dickenson mill is only about 3½ miles away. Yesterday Sabina were 75p.

ROUND-UP

The Rio Tinto-Zinc group's 51 per cent.-owned Canadian Rio Algom announces that subscriptions were received for over 99 per cent. of the new shares offered in the latter's $25m. (£11m.) rights issue which was of one share at $21 (£9.32) for every 10 held. Preston Mines, which is 81 per cent.-owned by RTZ, also reports acceptances for over 99 per cent. of its own issue which was designed to raise funds to enable the company to take up its entitlement in the Rio Algom offer.

* * *

A maintained dividend total of 16 cents for the year to June 30 is announced by Commonwealth Mining Investments (Australia) in which a 60 per cent. interest is held by the Gold Fields group. CMI income fell 39 per cent. in the past 12 months but, after a greatly reduced write-off for depreciation of investments of $0.13m. compared with $1.83m. in 1973-74, the operating profit after tax amounts to $1.35m. against $1.16m.

* * *

The stake of Metramar Minerals in the Blue Spec gold-antimony joint venture with Australian Anglo American in Western Australia has now fallen further to 30 per cent. It recently came down from 50 to 38 per cent. following Metramar's disappointing rights issue which failed to raise sufficient funds for the company to maintain its full interest in Blue Spec. Metramar were 16p in London yesterday.

* * *

Australia's Coopers Creek company which is probing a gold prospect at the northern end of Kalgoorlie's Golden Mile announces that underground drill hole No. 2 has intersected mineralisation with assays ranging from minimal values to 6.6 grams (4.24 dwts.) a tonne. The samples were taken at approximately 1 metre intervals down to 40.4 metres (132 feet). Drilling is understood to be continuing on this property adjacent to the Western Mining group's Mt. Charlotte mine. Yesterday Coopers Creek were called a nominal 5p in London.

A SETBACK FOR MR. CONNOR

THE Australian Government is no longer able to extend assistance to mining companies but will be able to continue funding the joint ventures already arranged, according to a spokesman for the Minerals and Energy Minister Mr. Rex Connor.

The cessation of funding must last at least until the Petroleum and Minerals Authority Bill is again presented to Parliament after having been recently rejected on a constitutional technicality.

The Treasury has refused to support the Petroleum and Minerals Company of Australia which Mr. Connor had intended to use as a vehicle for the proposed aims of the Petroleum and Minerals Authority. These include power to find and market minerals throughout Australia and to buy into mining or oil and gas companies in order to maintain their viability or to create or maintain local majority ownership.

MINING BRIEFS

AUSTRALIAN MINING AND SMELTING—Production figures for Zinc Corporation and NBHC:

	Twelve weeks to 21/6/75	to 22/6/74
Ore treated (tonnes)	442,900	395,336
Lead (per cent.)	8.2	8.7
Silver (grains/tonne)	73.8	85.2
Zinc (per cent.)	11.4	11.6
Production		
Lead concentrate (tonnes)	51,684	77,273
Lead (tonnes)	39,337	50,709
Silver (kilograms)	25,773	13,367
Zinc concentrate (tonnes)	83,017	47,900
Zinc (tonnes)	46,450	25,390

WHEAL JANE—June production of Tin metal contained in concentrates 82 tonnes (May 81 tonnes). Mill operated for 29 days during June.

TWEEFONTEIN UNITED COLLIERIES—(Subject to Audit)

	Quarter ended June 30	March 31
Tonnage sold (000's)	313	299
	R000	
Profit	136	(43)
Sundry revenue (net)	6	10
Dividends from invest.	—	406
Profit before tax	142	373
Estimated tax	—	(60)
Profit after tax	142	353
Capital expend. (net)	199	150
Dividends declared	—	348

Prospecting of a limited area of No. 1 seam coal owned by the Company on the farm Vlaklaagte No. 330 JS, adjoining the Waterpan mine, is being undertaken and negotiations are in hand for an initial supply of coal to ISCOR on a temporary basis. Arrangements are being discussed with Witbank Consolidated Coal Mines Limited, a fellow subsidiary company, for the treatment of this initial supply. All of these arrangements for a limited temporary supply are of an experimental nature for the purpose of testing the suitability of the coal reserve failing which the project may be discontinued at any stage. The project will initially be financed by loans provided by ISCOR, and the Company will recover expenses if it is abandoned. The project will have no material effect on profits during the initial phase but the possibility of a long-term contract with ISCOR will be considered in the light of the information gained.

RAND MINES—June quarter: Welgedacht Exploration—Working profit R850,778 (March qtr.: R718,438). Railway revenue R125,603 loss (R3,637 profit). Capital expenditure R104,721 (R86,419). Witbank Colliery—Working profit R1,168,528 (R877,130). Tax nil (R32,989 credit). Capital expenditure R2,933,759 (R1,962,198) and exploration expenditure R71,558 (R30,287).

Exports record for Cyanamid

Cyanamid of Great Britain, the Gosport-based chemical and pharmaceutical manufacturers, achieved record exports of £9.5m. in the year 1974, an increase of 65 per cent. on 1973. This marked the first time that exports had exceeded the level of U.K. sales.

Managing director, Mr. Michael Peretz, said that all the operating divisions had made sales gains, with the agricultural and medical divisions up 32 per cent., and industrial products up 59 per cent.

Total turnover rose 38 per cent. to £18.2m. but profits after tax, advanced by only 17 per cent.

Mr. Peretz warned that a further improvement in profit levels must be achieved to maintain adequate investment. Over the five years 1970-74, the new capital investment in the U.K. totalled £3.3m. and over the same period, numbers employed rose from 900 to 1,300.

Peterborough Motors second half upturn

After being down in the first half, an advance from £182,976 to £283,833 in the second six months leaves pre-tax profit of Peterborough Motors ahead from £358,237 to a record £444,858 in the year to March 31, 1975.

Stated earnings per 20p share improved from 6.02p to 7.18p and a final dividend of 1.1p net raises the total from 1.76p to 1.83p.

	1974/5 £	1973/4 £
Group turnover	8,760,488	7,415,140
Pre-tax profit	444,858	358,237
Tax	240,935	184,847
Net profit	203,923	171,390
Pref. divs.	2,512	2,625
Ord. divs.	81,734	49,338

Revenue rise at Oil & Associated

Revenue of Oil and Associated Investment Trust finished the year (ended March 31, 1975) ahead from £172,637 to £211,811, after a first-half rise from £81,486 to £120,157.

The net dividend is up from 1.53375p to 1.64225p, with a final of 1.056p.

Net revenue appeared at £140,192 (£115,420), after tax of £71,619 (£57,217).

Net asset value per 25p share is shown at 44p compared with 54p.

Atlantic Assets results

In previous years, the preliminary results of Atlantic Assets Trust for the year to June 30 have been announced around this time but, the directors say, because of the acquisition of Bates Oil Corporation during the year to June 30, 1975, it is not possible to produce at this time preliminary results including Bates figures.

It has therefore been decided to delay announcing results until the figures of that company are known. It is hoped to issue them around the middle of August.

A net asset value figure as at June 30, is, however, being published by the Association of Investment Trust Companies to-day. Atlantic holds 11,687,500 shares in Haw Par which were included in the valuation at June 30 at S$1.80, the price ruling on Kuala Lumpur Stock Exchange. This valued the investment at £4,206,823 (15.9p per share).

However, the quotation has now been suspended on all Stock Exchanges pending an investigation ordered by the Singapore authorities. Until this investigation is completed it is impossible to place a value on this investment, the directors point out.

Houlder Bros. repayment

Houlder Brothers, a subsidiary of Furness Withy, intends to repay its £125,000 undated 4½ per cent. debenture stock at £80 per cent. plus accrued interest.

The proposals will be incorporated in a scheme of arrangement and it is expected that the necessary documents will be posted early October.

COMPANY NEWS IN BRIEF

GENERAL CONSOLIDATED INVESTMENT TRUST—Interim dividend 0.8p (0.7p) net costing £150,512 (£123,300). This increase in the dividend is to reduce the disparity between the interim and final dividends. Gross revenue for half-year to June 30, 1975, franked £267,446 (£284,718), unfranked £213,710 (£244,795), totalling £481,156 (£529,513). Administration expenses £27,597 (£22,772). Interest charges £65,503 (£118,007). Tax £83,757 (£54,088). Tax imputed to franked income £90,103 (£98,518). Preference dividends absorb £6,825 (£6,825). Net earnings (1.29p) per 25p share (1.36p). Franked dividends for 1974 included some £24,000 of non-recurring income. Gross assets at valuation after providing for the interim dividend £15,680,984 (£13,330,069). Net asset value per Ordinary share before deducting 25 per cent. of the investment currency premium 72½p (54½p). Net asset value after allowing for conversion of the 4½ per cent. Convertible Unsecured Loan stock 1989-94 73½p (56p).

GLASS GLOVER GROUP (food distributors, fruit and vegetable importers)—Interim dividend 0.3931p net (equivalent 0.40521p). Group turnover half-year ended March 31, 1975, was £5.39m. (£4.38m.) and profit £55,760 (£52,497) before tax £30,160 (£28,060). Earnings 0.91p (0.87p). Second-half profits should, as usual, exceed first-half figures.

W. GOODKIND AND SONS (manufacturing furriers and distributors)—Results for 1974 reported May 31: Group fixed assets £21,003 (£22,382). Net current assets £196,180 (£196,643). Meeting, 7, Market Place, W., on August 7, at 4 p.m.

GREENFRIAR INVESTMENT COMPANY—Gross income for six months ended June 30, 1975, £91,036 (£118,214). Interest charges and expenses £66,341 (£71,765). Tax £12,313 (£20,648). Earnings per share 0.46p (0.63p).

LONDON AND MIDLAND INDUSTRIALS—Results for year ended March 31, 1975, reported June 27 with prospects. Group fixed assets £1.69m. (£1.6m.). Current assets £6.84m. (£4.95m.). Current liabilities £3.99m. (£3.65m.). Meeting, Waldorf Hotel, W.C., on August 14 at noon.

LUNUVA (CEYLON) TEA AND RUBBER ESTATES—Results for 1974 already reported. Investment in Sri Lanka £1.66m. (same), in U.K. £297,278 (same) with market value £311,806 (£312,740). Current assets £150,919 (£111,684), and liabilities £33,589 (£33,061). Harrisons and Crosfield owns 44.85 per cent. and Harcros Investment Trust 10.31 per cent. of the capital. Meeting, 1-4, Great Tower Street, E.C., August 7 at 3 p.m.

MEGGITT HOLDINGS (machine tool makers)—Interim dividend 0.1825p (0.134p) for six months ended April 30, 1975. Last year's total 0.5915p net. Group turnover for half-year £1,650,353 (£1,274,201). Profit before tax £100,360 (£80,285). Tax takes £52,490 (£41,750). Leaving £48,870 (£38,535). Dividends absorb £8,971 (£5,749). Earnings per 5p share 1.09p (0.9p). During the period, both machine tool merchanting division and manufacturing division operated at a high level. Latterly the economic condition of the country has begun to have an adverse effect on activities. Therefore it is unlikely that profit for the full year will reach that achieved last year, the directors state.

MOORGATE INVESTMENT—Final dividend 1.4125p making 2.025p for year ended May 31, 1975 (1.9825p). Gross revenue £213,705 (£204,138). Administration expenses £15,273 (£13,115) and interest charges £31,569 (£46,294), leaving revenue £166,863 (£144,719) before tax £61,4[illegible] (£45,136). Dividends £94,385 (£86,797). Retained £10,063 (£12,790). Gross assets less current liabilities, at May 31, including investments at valuation and investment currency premium where appropriate were £3,128,798 (£2,832,468). Net asset value 60p (50½p). Meeting, 8, Waterloo Place, S.W., August 19, at 3.15 p.m.

STANHOPE GENERAL INVESTMENT—Results for year to March 25, 1975 already known. Valuation of quoted investments £732,738 (£742,778). Properties £428,977 (£429,077). Meeting, 18, Wyndham Place, W., on August 8, at 3.30 p.m.

STEPHEN SMITH AND CO. (a subsidiary of Emu Wine Holdings)—Dividend 0.9384p (0.879375p) net for 1974. Profit £29,546 (£21,833) after tax £30,923 (£21,831). Earnings per 25p share 3.24p (2.46p).

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APPOINTMENTS

APPOINTMENTS WANTED

COMPANY NOTICES

PUBLIC NOTICES

EDUCATIONAL

PERSONAL

CLUBS

Shell is returning to the needle coke business with a £65m. investment in Holland that will more than double Europe's capacity. Ray Dafter reports

Cracking the electric steel market

THE STEEL industry's increasing use of the electric arc furnace method of manufacturing—particularly in mini mills—has been a development traced with interest by some oil companies.

In particular, the oil industry has been trying to gauge the future market for one of its potential refinery by-products, needle coke. This high-grade coke is used in the steel plant electrodes and, at a price of around $300 a tonne, already represents a surprisingly large market—$45m.-$60m. a year in Europe.

With an annual growth rate of some 9-10 per cent. it is forecast that the European use of needle coke could rise to around 300,000-350,000 tonnes a year by 1980. Until now Continental Oil has been the sole European manufacturer, producing up to 170,000 tonnes a year from its Humber refinery at Immingham, but now Shell has revealed its intention to become involved.

Large share

Shell Nederland Chemie announced yesterday that it is to invest a further £65m. at its Moerdijk chemical complex in Holland. A large share of the investment will go towards the establishment of a 100,000 tonnes a year needle coke plant. (In addition, the company is adding two furnaces to its oil-naphtha cracker to raise ethylene capacity by 50,000 tonnes a year to 500,000 tonnes.)

The needle coke plant is due to come on stream during the final three months of 1977, marking a significant diversification by the oil-cum-chemicals group. Nevertheless, Shell sees it as a logical extension of its activities.

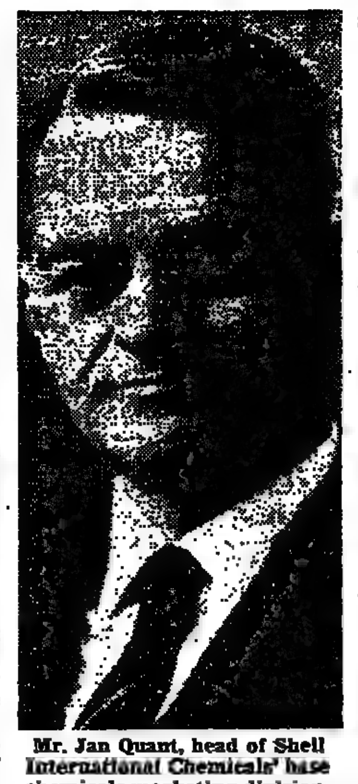
The coke will be based on an unspecified "heavy feed" from the Moerdijk ethylene plant which, in turn, is fed from the nearby refinery at Pernis. This method of production contrasts with that employed by Conoco which produces its needle coke, together with lesser grades, direct from an oil refinery.

Naturally there is the ever-present possibility that the trading cycles of the chemicals business will not always coincide with those of the steel producing industry; that a cut-back in ethylene production could restrict supplies of the "heavy feed" for coke. Here Shell feels that it is better placed than most in that it is Europe's biggest ethylene producer with around 2m. tonnes of plant capacity (including some joint operations). If the Moerdijk feedstock becomes short Shell can always turn to the U.K., French or German operations to provide back-up support.

The cracker will certainly not be operated at a particular level just to meet the needle coke demand. "We don't want the tail of the coking operation wagging the cracker dog," commented Mr. Jan Quant, head of Shell International Chemicals' base chemicals marketing division. The statement also indicates that coking operations will not, in itself, influence the type of raw material that is fed into the flexible ethylene plant. A greater amount of the desired "heavy feed" would be created if the cracker was operated on gas oil rather than naphtha, for instance.

Old plant

In a sense, this departure by Shell marks a return to a familiar product area. Until 10 years ago the company had a petroleum coking operation in Pernis where a small proportion of needle coke was produced. The plant was old, however, dating back to the 1940s, and eventually it just ran out of steam. The price of coke and the cost of building a replacement unit ruled out the possibility of staying in the business.



Mr. Jan Quant, head of Shell International Chemicals' base chemicals marketing division.

In the past decade, environmental regulations have become much stricter and it is a measure of current operating conditions that well over 10 per cent. of the coker's cost will go on pollution and safety controls. "Unfortunately coke is black and as a dry bulk material it is difficult to handle and distribute. But we are not afraid of technology, which is one reason why we are entering this business," said Mr. Quant.

Buyers of needle coke—the electrode manufacturers like Union Carbide, Anglo Great Lakes, Sigri and Pechiney—should now see the competition hotting up. Currently the demand is met by Conoco or by imports mainly from Japan or from the U.S.

Demand

Conoco, too, is stepping up production of the material in the U.K. in anticipation of increasing European demand. More than £18m. is being spent on uprating the current Humberside capacity for petroleum coke from 300,000 tonnes to 400,000 tonnes a year. The needle coke fraction of this output is being increased at a faster rate, from 170,000 tonnes to 280,000 tonnes a year.

The expansion coincides with Shell's development which means that in 1977 or early 1978 European needle coke capacity will rise by some 210,000 tonnes a year: an increase of 123 per cent.

Conoco, one of the world's leading petroleum coke manufacturers, also produces 150,000 tonnes of needle coke a year in Japan, 125,000 tonnes annually in Louisiana, and 30,000 tonnes a year in Oklahoma.

Mr. Daniel Cameron, manager of manufacturing for Continental Oil in London, said that the petroleum coke market was strong and that the company was optimistic about future demand. But does the increasing use of electric arc furnaces in the steel industry justify a 123 per cent. increase in needle coke production overnight?

In the past 25 years or so the electric arc furnace has increased its share of world steel production almost nine-fold. According to the International Iron and Steel Institute world production of steel by the electric arc method (excluding China and Eastern Europe) was 91m. tonnes out of a total world steel output last year of 483m. tonnes. In the U.K., electric arc production accounted for 5.2m. tonnes of the 22.3m. tonnes total.

But the electric arc process is caught up in the much wider controversy about the growth of the mini steel plants which are in the main, the types of plant using it. The European Commission itself has warned that there are too many mini mills being built. For the mini mills mainly use scrap as their raw material; consequently their sources of feedstock cannot be regarded as limitless. BSC argues, for instance, that scrap supplies are bound to decrease as industrial technology improves, and as a result, that electric arc steelmaking based on scrap should not account for more than about 18 per cent. of national capacity — an "optimum" point already passed in the U.K.

Optimistic

Proponents of the electric arc method, including the coke manufacturers, are more optimistic, however. Conoco makes the point that electric furnace output in the U.S. has been growing at around 15 per cent. a year recently. It stresses the need for widely-scattered small, simple steel plants; the relatively simple air pollution control compared with blast furnace operations, and the required improvement in electrode quality to provide even higher power output as reasons for confidence. Conoco feels that whatever happens, electric steel production will grow at a faster rate than the steel industry as a whole.

This is why Shell has entered the field, why Conoco is increasing capacity and why both companies—possibly along with others — feel that more expansion will follow in Europe in a few years.

'Internationalise space effort,' says U.K. expert

COLLABORATION in manned space flights involving Russia, America and Europe was proposed yesterday by Mr. Kenneth W. Gatland, president of the British Interplanetary Society.

He said that after the link-up between the American Apollo and Russian Soyuz crews there should be an international conference under the auspices of the United Nations to plan further development on a world basis, because of the many practical benefits coming out of Space.

Both rich and poor countries were affected and it was vital that smaller countries should share the benefits, and scientists of all nations be given a chance to work in space.

"Eventually, it may be possible to solve the fuel crisis by harnessing the unlimited energy of sunlight in space," he said. A new range of medical experiments made under weightless conditions could help relieve diseases such as thrombosis and cancer.

Mr. Gatland said his plan was based on the development of standardised docking equipment for American and Russian spacecraft and the U.S./Soviet agreement to employ the same cabin atmospheres in new spacecraft.

Russia was expected to launch a major space station bigger than the present Salyut stations which were basically test vehicles.

America was building the revolutionary Space Shuttle which would fly people to and from orbit more than 100 times, returning to land like an aeroplane, which would greatly reduce the cost of space travel in the 1980s.

The Russians had similar plans and the newly formed European Space Agency was building a four-man space laboratory for America to carry into orbit within the cargo bay of the Space Shuttle.

"These major projects — already costing thousands of millions of pounds — should be combined to create a major international space project in the 80s," Mr. Gatland said.

"Europe would have an important part to play. Specially modified versions of the European Space Lab would be built as separate laboratory modules with common docking facilities for assembly into the forthcoming Soviet space platform." One could be fitted out for biological and medical research, another for materials research, and another for studying the earth's agriculture and water resources.

"A major international project of this kind would have the greatest value for world security and would concentrate space effort on practical outlets."

Call for financial aid to boost steel stocks

BY OUR SHEFFIELD CORRESPONDENT

A PRIVATE sector steel maker has suggested that the Government make financial aid available to the industry—public and private—to finance the cost of making steel for stock during the current depression.

Mr. Bernard Cotton, chairman of the Osborn Steel Group, told delegates at a Sheffield steelmaking conference, which closed yesterday, that such stocks of steel could be of great help to British industry generally when the trade cycle turned up again.

"It would be a form of banking production which would otherwise be lost in the downturn ready for selling as the market improves," said Mr. Cotton, who is also chairman of the Yorkshire and Humberside economic planning council.

"It enables production to carry on at a better rate as trade falls off and enables better service to be given to customers as the market improves."

Call for support for local government

A CHIEF education officer warned yesterday that if education services were taken out of the control of local government in its present form it might not survive the next five years.

Mr. George Cooke, of Lincolnshire, said that if local government lost education then social services and public protection services would follow. Local government would then become of little importance.

Addressing the Council of Local Education Authorities conference at Cardiff, he called for unity among local authority and local education authority associations.

Mr. Cooke, president of the Society of Education Officers, said local government was less highly regarded now than at any time in the past 25 years and was in a weak, confused state and subject to mounting criticisms, many wholly unjustified.

If local government was to survive, it must rediscover and sell itself. Mr. Cooke said that the 'national voice of local education authorities had not been sufficiently loud and clear in the past few years.

"We have not been able to do anything effective to stop parliament from becoming a "legislative factory," which, on the initiative of whatever party is in power, pours out new laws and regulations and policies and requirements without any apparent regard for the capacity of local authorities, and other public bodies to implement them at a satisfactory level," said Mr. Cook.

He added: "We have also failed dismally to prevent local government in general, and local education authorities in particular, from being made the 'whipping boys' in the recent battles over the rates."

YACHTING BY ALEC BEILBY

Ponderous and curious

DEAUVILLE, July 17.

THE Quarter Ton Cup continues, slowly, ponderously and, at times, curiously. Having completed the two opening races over short courses in the Seine Bay, the 42 competitors, less the Swedish yacht Accent that was dismasted during the second race, began the 100-mile course offshore.

The word "offshore" seemed to have been misinterpreted by the organisers for the course selected has been sailed round 11 buoys never more than ten miles from the coast of France and confused by the strong tidal currents that exist in these waters.

Added to this was the factor that the international regulations for the prevention of collision at sea were substituted for the international racing rules during the hours of darkness, something not recommended though avoidable in the confines of an entrance to one of Europe's busiest commercial ports, Le Havre.

The choice of such a course with these factors in mind was indeed curious.

Yesterday, with every sign of the winds failing as thunderstorms swept the Channel, the fleet set out on this misnomer of a race with the British crew aboard Hobnail, having already retired from the second race on Tuesday, making the best of the start.

She was soon overhauled by the local French yacht Dollar, while the so-far victorious New Zealanders aboard 45 Degrees South were obviously not as happy in the light weather as in the tougher conditions earlier. They lay in about sixth or seventh place as night fell, close by Hobnail.

The strong tidal currents closed and then split the fleet as night passed. By dawn, the leaders were bunching once more at the eighth mark off Ouistreham in the face of a foul tide and little wind.

To-day, the wind improved even if the reported positions remained vague to those ashore, the shopping list for the committee boats seemingly taking radio priority over the positions of the yachts as they neared the finish of the race this evening.

The Italian yacht Tuscany G, which amazingly passed the scrutiny of the measurers with fittings and construction more suited to the balmy Mediterranean than the less clement Channel, dominated the front markers.

She shared the struggle with Timshall (Germany), Charlie Papa (Italy), Go (Sweden) and Hobnail. The New Zealanders, Genie and 45 Degrees South lay 11th and 12th while one of the British hopes, Patrick Pym's Needlework, was 18th at this point.

British crews, who already faced an almost impossible task if they hoped to recover the ground lost in the early races, for the main part trailed back through the fleet.

As the evening passed, the race which had become a 100-mile drift lasting 28 hours, was won by the Swedish yacht Go, sailed by the Olympic medal holder and designer of the yacht, Paul Elvestrom, from Denmark.

The last seven miles of the race had taken the leaders almost four hours and the backmarkers are still threatened with a night at sea facing foul tides and calm so results overall will probably not be decided until to-morrow.

The British yacht Hobnail eventually finished third but because of her retirement from the race two days ago, this may not help much in the final scoring, next week.

Betaoin shrdlu cmfwvn vbgk v

The series continues during the weekend with a further Olympic course of 20 miles on Saturday and the start of the 200-mile offshore race, from Seine Bay to the Nab Tower, off Selsey, and back.

Meanwhile, 230 yachts, including the Australian, New Zealand, British and French Admirals Cup teams will start from Cowes on the 180-mile race to Dinard tomorrow morning, giving the first and last opportunity of seeing the principal rivals in the Admirals Cup series competing against each other offshore before the event starts in three weeks' time.

BANK RETURN

—	Wednesday July 16 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	21,684,910	+ 7,509
Special Deposits	959,375,000	— 6,275,000
Bankers	250,066,693	— 53,405,136
Reserves & Other A/cs	418,931,595	— 9,980,002
	1,665,101,198	— 69,652,679
ASSETS		
Govt. Securities	1,238,272,899	— 35,560,000
Advance & Other A/cs	226,787,872	— 3,309,212
Premises, Equip't & other Secs	125,601,625	+ 2,022,336
Notes	14,192,558	— 13,840,467
Coin	235,944	+ 34,664
	1,665,101,198	— 69,652,679
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,900,000,000	+ 50,000,000
In Circulation	5,885,807,142	+ 63,840,467
In Bank'g Dept.	14,192,858	— 13,840,467
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs	5,211,657,221	— 33,506,292
Other Securities	677,327,619	— 16,493,708
	5,900,000,000	+ 50,000,000

APPOINTMENTS

Mr. H. Keswick joins Robert Fleming board

Mr. Henry Keswick, who recently became proprietor of the Spectator magazine, has been appointed to the Board of ROBERT FLEMING HOLDINGS. Mr. Keswick returned early this year from Hong Kong where he had been chairman of Jardine Matheson and Co. He was also chairman of the merchant bank Jardine Fleming and Co. and is understood to have been instrumental in its formation by Robert Fleming and Jardine Matheson.

Mr. Keswick's post will be non-executive and he will be the first man to join the Robert Fleming Board in that role. Though there are other non-executive directors on the Board already they have all previously held executive posts.

★

Mr. P. L. Donovan has been appointed a director of ASSOCIATED BRITISH FOODS.

★

Mr. J. L. Ellis has been appointed an executive director of ARTHUR GUINNESS SON AND CO. from July 21. He will continue as joint vice-chairman of Arthur Guinness Son and Co. (Belfast) and will also be responsible for the company's interests in Northern Ireland.

★

Mr. J. D. Bolsover has been appointed a director of HENDERSON ADMINISTRATION and managing director of Henderson Administration (Pacific).

★

The BUSINESS EDUCATION COUNCIL has appointed Mrs. Janet Elliott deputy chief officer designate. She is expected to take up her appointment in the early autumn.

★

Mr. R. M. Horner has been appointed to the Board of W. AND R. JACOB AND CO. (LIVERPOOL), a member of the Associated Biscuit Manufacturers group.

★

Mr. D. J. Pipe has been appointed managing director of QUENBY PRICE.

★

Mr. J. M. Heggadon has been appointed marketing director of THOMAS NESS, a wholly-owned subsidiary of the National Coal Board. He was previously group marketing manager with John Mowlem and Co.

Mr. K. J. Willoughby has been appointed a director of F. W. Woolworth and Co. He joined Woolworth as marketing manager in March, 1971.

★

VISCOSUISSE has appointed Mr. J. R. Buckland as managing director of all its U.K. companies from August 1.

Brocklehurst Yarns of Cardiff has been re-constituted as VISCOSUISSE TEXTURED YARNS. Mr. B. D. K. Crossley becomes commercial director at the new company's Leicester sales office, while Mr. J. F. Belfield is made director and general manager of the Cardiff plant.

Mr. W. E. Garth-Jones has been appointed commercial director, VISCOSUISSE FIBRES, in succession to Mr. R. G. Stevenson, the present managing director, who is shortly to retire.

★

Mr. D. T. Westlake has been appointed chairman of BARNATO BROTHERS. Mr. V. J. Dixon joins the Board and Mr. D. W. J. Phillips becomes secretary. The changes follow the return of Mr. P. M. M. De Wet to the parent company, Johannesburg Consolidated Investment Company of South Africa.

★

Mr. G. N. Davies has been appointed a director of TAYLOR WOODROW CONSTRUCTION, while retaining his managing directorship of Taylor Woodrow-Anglian.

★

Mr. John Chambers and Mr. Frank Leach have been appointed to the Board of BRITISH LION FILMS.

★

The following have been appointed to the Board of BICC METALS, an operating subsidiary of BICC Cables: Mr. W. L. B. Shankland (chairman); Mr. J. Conning (executive director); Mr. M. J. Barber, Mr. J. R. Halliday, Mr. P. H. Moulds, Mr. M. Leedham, Mr. C. S. Mather (secretary-accountant), Mr. W. R. Millership and Mr. D. W. Hartnell.

★

Mr. V. J. Roberts has been appointed deputy chairman of BARTOL PLASTICS and Mr. G. M. Marsden has become managing director. The company is a subsidiary of Hepworth Ceramic Holdings.

Conti-Gummi break-even chances begin to fade

BY GUY HAWTIN

FRANKFURT, July 17.

THE CURRENT year looks like being yet another bad one for Continental Gummi-Werke, West Germany's largest tyre producer. Despite the high hopes voiced in March that 1975 would bring the concern back to break-even point, the management had to break the news to shareholders that turnover in the first half year fell 9.1 per cent. compared with the year before.

Turnover in the tyre sector in the first half of 1975 was off 8.5 per cent., while sales of technical goods are down 9.7 per cent. The export sector is hardest hit of all—and it was this sector that contributed greatly to last year's 15 per cent. turnover increase from 1973's DM1.26bn. to DM1.45bn.

Tyre exports in the first six months of the current year fell by a full 16 per cent., while overseas sales of technical goods were down by close on 9 per cent. The proportion of exports in total turnover sank in the first half from 23.5 per cent. in the comparable period of the previous year to 22.2 per cent.

Dr. Carl H. Hahn, Conti's Chief Executive, blamed the poor performance on the rapidly changing currency rates, high wages and competition from low wage countries such as India and South Korea. Wages in the West German rubber industry were the highest in the world, he pointed out, adding that all production sectors were under heavy pressure from foreign competition.

As a result of the disappointing order situation an average of 13 per cent. of Conti's labour force had been hit by short-time working in the first half of the current year. The figure for the same period of 1974 was only 2 per cent. The workforce, which at end of 1974 stood at 20,486, had been further reduced to a current 19,654.

Conti was still hoping to reach its target of overcoming the loss situation in 1975, said Dr. Hahn. But he added that the economic situation, particularly in the export sector, made it much harder to improve profitability. The concern, however, was introducing improved finishing methods, as well as restructuring and tightening up programmes.

The payroll was also being trimmed, he said, although he pointed out that wage costs were expected to go up by a further 10 per cent. in 1975. The concern was investing against the current cycle and during the current year it was expected to rise by 28 per cent. to DM60m.

Allianz bonus payment

BY GUY HAWTIN

FRANKFURT, July 17.

ALLIANZ VERSICHERUNGS is to recommend a 17 per cent. dividend plus a 2 per cent. bonus for 1974, despite a slide in trading profits. Allianz paid a straight 17 per cent. for the previous business year.

The concern, West Germany's largest insurance group, reports that despite a drastic fall in the growth of premium income and continued rising costs, the claims situation, particularly in the motor business, was much healthier.

Net trading profits fell from DM94.1m. in 1973 to last year's DM86.4m. At the same time gross premium income for the group increased only by 1.9 per cent. from 1973's DM4.29bn. to 1974's DM4.37bn. The premium growth rate in 1973 was 11.9 per cent.

The fall in growth rates is attributed to falling tariffs in the motor insurance field, recession in the car industry, falling investment rates and the slump in the construction industry. Without motor insurance, where premium income was down 5.3 per cent., the other insurance sectors would have shown an 8.7 per cent. growth, states the concern.

As to the current year, Allianz says that the economic situation makes forecasts impossible. Indications are that growth of new business will be somewhat stronger than in 1974. Things are still open as to developments in the motor claims sector.

Osram hopes for recovery

BY GUY HAWTIN

FRANKFURT, July 17.

OSRAM, which controls just under 50 per cent. of the West German light bulb market, has reported a DM8m. balance-sheet loss for 1974—its worst results since the end of the Second World War. The concern will be paying no dividend for the second year running, while its last payments were 12 per cent. for 1972 and 16 per cent. for 1971.

Dr. Albert Prinzing, Osram's Chief Executive, however, stated his belief that the bottom had been reached. Performance in the first five months of this year had been much better than in the previous year and could be described as satisfactory.

But there were still no two ways about the fact that Osram would have to shed more personnel if the economic situation did not improve, said Dr. Prinzing. In 1974 the concern had reluctantly been forced to trim its labour force by 8.9 per cent. to 12,591 and to introduce short-time working.

According to Finance chief Herr Heinz Rieber, 1974's poor results did not come as much of a surprise. Osram—which is owned by Siemens (with 42.8 per cent. of the equity), AEG-Telefunken (35.8 per cent.) and General Electric of the U.S. (21.4 per cent.)—is heavily dependent on the motor and construction industries which were in severe recession.

Of a total 2.1 per cent. rise in net turnover of the company, only 1 per cent. had been attributable to price increases. Cost cutting through rationalisation and redundancies had not been sufficient to avoid a loss.

Dr. Prinzing refused to comment on news that General Electric's plans to purchase AEG's shareholding had fallen through following a failure to reach agreement with Siemens. The announcement that Siemens was interested in purchasing the AEG stake came a day after the balance sheet press conference which was held on Tuesday and embargoed until midnight to-night.

Meanwhile it is apparent that Osram is having problems with two overseas subsidiaries—one in Portugal and the other in Argentina—as a result of unstable political situations. However, according to Dr. Prinzing, the Mexican subsidiary was doing far better.

Figures for the 1974 business year show that declines at home were offset by an increase in exports. Net turnover for the company rose by 2.1 per cent. to DM617m.

Reksten share deal controversy

By Fay Gjester

OSLO, July 17.

CONTROVERSY is brewing in Norway about whether the State should retain control of Hoyer-Ellefsen, a major Norwegian contracting company, involved in a wide range of projects at home and abroad, including construction of the Condeep offshore platforms.

The Government secured all the shares in the company as part of its recent Kr.177.4m. share purchase from shipowner Hilmar Reksten. Some business and political circles now fear that the minority Labour Government—with the support of the Socialist Left Party in the Storting (Parliament)—will seek to hang on to this key company, thus involving the state in a field hitherto entirely served by private enterprise.

Last month, the Storting authorised the Government to spend up to Kr.200m. on buying Norwegian industrial and shipping shares from Reksten—to keep the shares in Norwegian hands and to help the shipowner meet his commitments to Norwegian shipbuilders. The understanding was, however, that most of the shares would be sold off again as soon as this could be done without a loss.

The Government has said it does not intend to keep the shipping shares, but is considering the position with regard to the industrial holdings (involving, as well as Hoyer-Ellefsen, stakes of varying size in such companies as Norsk Hydro Spitsbergen Coal, Elkem-Spigerverket and a Bergen shipyard in the Aker group).

The consent of the Storting will be needed if the shares are to be retained. The Minister for Industry, Mr. I. Ulveseth, said yesterday that the State would certainly not dispose of all its shares in Hoyer-Ellefsen. It might keep all of them, it might retain a majority stake, or it might settle for a minority holding. A decision would be taken by October.

Leaders of the three main non-Socialist parties in the Storting said in Press interviews to-day they would oppose a Government move to keep Hoyer-Ellefsen. In fact, however, they will not be able to prevent it. If the Government is determined to keep the company it can almost certainly count on the support, in the Storting, of the Socialist Left Party (SV). Labour and SV together have a one-seat majority over the non-Socialist parties.

Mitsubishi chemical expects sharp profits decline

TOKYO, July 17.

MITSUBISHI CHEMICAL Industries said it expects a sharp decline in net profits for the first half ending July 31 to between Y2.2bn.-Y2.8bn. from Y4.02bn. in the previous six months. A company spokesman said gross sales are expected to total Y285bn. (Y278.681bn.).

The spokesman said a slump in the aluminium and petrochemical markets has bottomed out, but a full-scale recovery will take time and the company has to maintain heavy production cutbacks for inventory adjustment. The decline in profits in these two departments could not be covered by improved coke production, mainly attributable to expansion of coke-making facilities at the Sakeide plant and good export business, he said.

Profits before tax and special items are therefore expected to decline to around Y3bn. from Y6.52bn. in the previous half year, he forecast.

However the company plans an interim dividend of Y2.5, unchanged from the previous six months, despite the profits decline, the spokesman said.

The company's profits before tax and extraordinary items for the whole of the 1975 fiscal year ending January 31, 1976, are expected to be about Y7bn. compared with Y17.85bn. for the previous fiscal year.

The company hopes to make free distribution of its shares to return the premium obtained from the flotation of convertible debentures in 1973 and 1974. But it has not decided when or how many new shares should be issued for this purpose, the spokesman said. Reuter

Toray sees lower loss

TOKYO, July 17.

TORAY INDUSTRIES expects another before-tax loss in the first half to September 30, although the loss will be smaller than Y4.544 bn. reported for the last six months ended March 31, a company spokesman said.

But it intends to pay an interim dividend by using previously-retained profits. It paid a dividend of Y3 for the last term.

Gross sales would increase moderately from Y159.40bn. in the last six months, the spokesman said. Reuter

CGE seeks new telephone links

BY CHRISTOPHER LORENZ

COMPAGNIE GENERALE d'Electricite (CGE) is understood to be talking to Philips and a Japanese company, as well as its traditional partner in France, L. M. Ericsson, about the possibility of taking a licence for stored programme control telephone exchanges using a space division switch.

This is the type of exchange for which the French PTT (equivalent to the British Post Office) has called for bids by September. At stake is the supply of well over $200m. worth of exchanges between 1977 and 1980, forming a major part of the crash French programme to improve the telephone service.

The talks represent a new twist in the long saga of major changes reverberating through the French electrical engineering industry. Only this week it emerged that CGE is trying to forge a partnership with West Germany's Kraftwerk Union to help it remain a supplier of nuclear reactors in France.

For several years, CGE's telecommunications subsidiary, CIT-Alcatel, has been strongly favoured by the PTT, which did the basic design for the E10 digital, time division exchange which CIT is now supplying in France and overseas. But the new PTT Minister has decided that the telephone expansion programme also needs slightly less advanced exchanges if it is to proceed sufficiently fast; hence its call for the supply of SPC analogue equipment. CIT has no suitable design of its own.

CGE's arch-rival, Thomson-Brandt, recently broke the nationalistic French purchasing pattern by teaming up with Canada's Northern Electric, whose exchanges it has been encouraged to offer by the PTT itself. Also bidding will be ITT's French subsidiaries, and — in some form—Ericsson itself.

Ericsson is the natural partner for CIT, since they have co-operated on design and manufacture in France for some years, including on the E10. But CIT is understood to want a cross-licensing deal, whereby it could find a new licensee for the E10 technology, and it is not certain that Ericsson would be interested in selling this outside France (it already has rights within the country).

A deal between CGE/CIT and either Philips or one of the Japanese suppliers would provide yet another upset to the French electrical industry, and a major boost to the foreign partner concerned. Philips, in particular, has been pushing hard to break into the market.

CGE and Plessey have jointly been trying to find markets for the E10 combined with the British company's PP 250 processor, but its application to French crossbar or crosspoint would take too long in the development phase to be considered a runner for the new French contract.

William Dullforce adds from Stockholm: Societe Francaise des Telephones Ericsson, the French subsidiary of the Swedish telecommunications group, L. M. Ericsson, is making a public bond issue of Frs.100m. on Monday, to raise capital for a general expansion of company operations. The issue is being managed by Credit Lyonnais and will carry an interest rate of 11.1 per cent. The term is 15 years with a five-year grace period.

Pirelli workers strike

BY ANTHONY ROBINSON

ROME, July 17.

OVER 24,000 workers throughout Pirelli's Italian plants to-day went on strike to protest against the company's decision to put 2,850 workers on its industrial vehicle tyre line at Bicocca in Milan on a total of 26 days short time working between now and the end of the year. A further 350 out of a total 950 workers employed making low tension cables for the building industry will also be put on short time for 12 days this year.

The unions are protesting principally against the way in which Pirelli management has prepared a detailed plan for short time working without prior discussion with the unions.

Short time working in the giant tyre section has been in the air for several months following the sharp decline in orders for trucks and industrial vehicles. Workers in the car tyre sector have already been on short time working for various periods of 1974 and this year, which has kept stocks to manageable levels.

Sharp uplift at Polaroid

By Guy de Jonquieres

NEW YORK, July 17.

POLAROID REPORTED to-day that its net income rose almost sixfold during the second quarter of this year to $13.4m. or 41 cents per share from $2.2m. or seven cents per share in the same period of last year. Sales rose to $199.3m. from $178m.

This strong improvement ends five consecutive quarters of declining profits and raises Polaroid's first half net to $21.7m. or 66 cents per share from $12.1m. or 37 cents per share in 1974. Sales for the first half were $341.9m. compared with $321.5m.

Mr. William McCune, Polaroid's President, said that the second quarter sales were the best ever recorded for the quarter. He added that the increase in domestic sales was due to both a rise in camera and film sales to customers and to restocking by dealers.

Sales of the SX-70 instant camera and the Super Shooter were especially strong. Last April, Mr. McCune disappointed some Polaroid shareholders by forecasting that the SX-70 would be unlikely to show a profit during 1975.

On the international side, Mr. McCune said, sales had held up well, exceeding 1974 second quarter sales by 9 per cent. He added that during the first half of this year Polaroid succeeded in cutting costs and raising returns on many of its major products. It expects this process to continue.

While the large jump in earnings indicates a significant reversal in Polaroid's fortunes, comparisons with the second quarter of 1974 are liable to some distortion because of a number of unusual factors last year which depressed profits.

Monsanto sees lower 1975 earnings

By John Wicks

ZURICH, July 17.

THE U.S. CHEMICAL group Monsanto expects this year's earnings to be down on the 1974 record. For the first half, according to figures just released, primary earnings per Common share were of $4.37, compared with $5.86 in the same period of last year, fully-diluted earnings being of some $4.30 against $5.50. Consolidated net sales were up slightly to $1.8bn. ($1.76bn.) for the period, net income declining to $171.5m. ($202.6m.).

John W. Hanley, president and chief executive officer, said: "While our earnings results for the second-quarter and six-month periods did not match last year's record highs, we believe we have had a relatively good performance in view of the many recessionary factors that affected our company in the first part of the year.

"With a turn-round in our textiles operations, together with modest improvement in the worldwide economies we serve, we expect a satisfactory second half. For the year, we will not be able to match the record earnings of 1974 but we anticipate that 1975 will be the second best year in Monsanto's history," he said.

Sandoz sales down 5.6%

By John Wicks

ZURICH, July 17.

GROUP SALES of the Swiss-based chemical concern Sandoz were down by 5.6 per cent. for the first half of this year on the corresponding period of 1974 to Sw.Frs.1.92bn. This decline was due to a drop of 18.8 per cent. in dyestuff sales to Sw.Frs.572.7m., the pharmaceutical sector and the agro-chemicals and dietetics product group showing slight rises of 1.6 and 0.3 per cent. to Sw.Frs.1.02bn. and Sw.Frs.329.2m., respectively.

The overall decline is attributed by the company to the international recession, but primarily to the unfavourable exchange-rate situation. For the first half of 1975, some Sw.Frs.280m. of turnover was lost owing to alterations in currency parities—the same sum as for the whole of last year. Had this fall in potential sales not been experienced, actual Swiss-franc turnover would have risen by 8.1 per cent., Sandoz claims.

As from April 1, Sandoz group figures include sales of the U.S. concern, Rogers Brothers Seed, of Idaho Falls.

Company Results

Dow Chemical earnings slip

Dow Chemical second quarter earnings fell to $1.55 per share (1.92) or net of $143m. (178m.) on sales of $1.2bn. (1.32bn.). Net for 1974 is not restated for LIFO. The company said LIFO would reduce net by 20 cents per share.

● General Foods expects its fiscal first quarter (ended June 28) earnings to increase to 66 cents a share from 57 cents in the same period last year, chairman James L. Ferguson told the annual meeting. He said the company expects to formally report first quarter earnings next week.

● R. J. Reynolds Industries second quarter net earnings fell to $1.98 per share (2.09) or net of $89.86m. ($91.64m.) on revenues of $1.20bn. (1.13bn.).

● Chase Manhattan second quarter earnings rose to $1.68 per share (1.21) or net of $53.7m. (38.7m.). Earnings after securities transactions rose to $2.36 per share (1.19) or net of $75.5m. (38.0m.). A dividend of 55 cents per share is to be paid.

● Continental Illinois posted record earnings of $30.83m. in the second quarter of 1975. This represents a 43.2 per cent. increase over the $21.52m. reported in the same period in 1974. It is equivalent to $1.77 a share compared with $1.24 a share in the second quarter of 1974.

Net income after securities transactions was $27.56m., a 27 per cent. increase over the second quarter results of $21.54m., or $1.59 a share compared with $1.25 in 1974.

It attributed its improved earnings principally to improved net interest margins. Net interest income reached $115.78m., 68 per cent. higher than the second quarter of 1974. Recognising continuing and uncertain economic conditions both here and abroad, it made a provision of $22.8m. for possible loan losses compared with the $4.5m. provision made in the second quarter of 1974. The total reserves for loan losses were $250,431m. at June 30.

● United California Bank second quarter operating earnings fell to 97 cents per share ($1.15) or net of $7.075m. ($8.412m.). Earnings after securities transactions were down at 96 cents per share ($1.15) or net of $6.976m. ($8.414m)

● NCR is paying a quarterly dividend of 18 cents.

● Curtiss-Wright second quarter earnings rose to 47 cents per share (28) or net of $4.23m. ($2.55m.). Shipments totalled $87.3m. ($66.96m.).

The company said it now appears that 1975 results will better those of a year ago when it had earnings of $10.4m. on shipments of $273.3m. It added, however, that results in the second half of the year may not match the "excellent performance in the first six months."

As of June 30, new orders totalled $169.5m. compared with $218.1m. a year ago, and consolidated backlog was $360.4m. up from $322.5m. in the 1974 period.

● Bendix third quarter (to June 30) earnings rose to $1.33 per share ($1.26) or net of $27.1m. ($20.5m.) on revenues of $696m. ($659m.).

The company said it expects earnings for fiscal 1975 ending September 30 to exceed the $4.65 a share of the previous year. Third quarter earnings were favourably affected by the second quarter termination of its German brake operations, the company said.

The company added that it had completed the tender offer for the remaining outstanding stock of its French affiliate, DBA, and now owns 92 per cent. of the company, against 66 per cent. in November, 1974.

● Gulf Oil has declared a quarterly dividend of 42½ cents per share.

Australian bank raises $30m.

By Mary Campbell

THE AUSTRALIAN Resources Development Bank is to issue $30m. of five year notes on the Eurobond market. Indicated coupon is 9¼ per cent. Managers are First Boston (Europe), Kredietbank Luxembourgeoise Société Générale de Banque, Swiss Bank Corp. and Union Bank of Switzerland.

The Bank has borrowed $30m. o nthe Eurobond market already this year. The previous issue, which offered 9½ per cent. for a seven year maturity, was floated in February.

Ste. Generale de Banque plans 20% capital rise

BY DAVID CURRY

BRUSSELS, July 17.

BELGIUM'S BIGGEST bank, Societe Generale de Banque, is to ask its shareholders to approve an increase in capital of around 20 per cent. Depending on the popularity of the issue among holders of convertible debentures, the operation will raise between B.Frs.842m. and B.Frs.930m. (£10.5m. to £11.5m.).

Shareholders will be asked to give the go-ahead for the issue of between 823,800 and 910,000 shares ranking from October 1. It will be a preferential issue with existing shareholders and holders of bonds who convert into shares able to subscribe for one new share for each parcel of five shares they already own. Societe Generale de Belgique, the country's major holding company, already has some 22 per cent. of the bank's shares and has stated previously that it intended to subscribe in similar proportion to the new capital increase.

With the current yield on their bonds substantially higher than those on shares, it is doubtful to what extent bondholders will want to take up the issue by conversion.

The extra-ordinary meeting on August 12 will also be asked to authorise certain changes in the company's statutes which will have the effect of upgrading the status of the dividend in the share-out of profits after allocations to the legal reserve. Payment of a dividend equivalent to 5 per cent. of the capital will have first call on the profits after legal reserve requirements have been fulfilled. After that profit-sharing payments to directors and allocations to special reserves will be paid. Whatever is left over at the end will be divided equally between all shares.

Current dividend levels are well above the dividend "floor" which the change in the statutes outlined above would, in practice, establish.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	99	100
Ashland 8pc 1987	93	94
Austraswiss 8pc 1987	90½	91½
BFCE 9pc 1988	98½	99½
Borregaard 8½pc 1989	95	96
Carrier 8pc 1987	92	93
Conoco 8pc 1986	97	98
Consol Foods 7¾pc 1991	86½	87½
Cutler Hammer 9pc 1987	92½	93½
EIB 9½pc 1985	101½	102½
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	89½	90½
General Motors 8½pc 1986	103	104
GTE 8½pc 1986	97½	98½
ICI 7¾pc 1992	77	79
Nat. Grindlays 7½pc 1987	76	78
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7¾pc 1988	89½	90½
Quebec Hydro 8½pc 1989	96½	97½
Queensland 8½pc 1987	88½	89½
Scanraff 8½pc 1988	96½	97½
Shell 8pc 1988	97½	98½
Standard Oil (Inc.) 8½pc '88	100½	101½
Tenneco 7¾pc 1987	88½	89½
Transocean 8pc 1988	98½	99½
TRW 8½pc 1986	97½	98½
Utah 8pc 1987	92½	93½
Volvo 8½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	102	103
Aust. Ind. Dv. Co. 10½pc '81	103½	104½
Barclays 7¾pc 1978	98	99
Cie Natl. du Rhone 10pc '82	103½	104½
Du Pont 7¾pc 1978	101½	102½
Esso 7¾pc 1978	100½	101½
General Motors 8½pc 1978	101½	102½
Marubeni 9½pc 1982	101	102
Nippon Fudosan 10½pc 1981	103½	104½
Stand. Enskilda 10½pc 1981	104	105
Tenneco 7¾pc 1978	99	100
Tokyo Curacao 10½pc 1981	103½	104½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	89	91
Ashland 5pc 1988	80	82
Beatrice Foods 4¼pc 1992	95	97
Beatrice Foods 4½pc 1992	99	101
Borden 5pc 1992	93	95
Broadway Hale 4½pc 1987	74	76
Canon Camera 7¾pc 1989	91	93
Carnation 4pc 1987	91	93
Chevron 5pc 1988	102½	104½
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	113½	115½
Economic Labs. 4½pc 1987	84	86
Eidai 7¾pc 1989	95	97
Ford 6pc 1986	85	87
Ford 5pc 1988	74	76
Fuji 6½pc 1985	110	
General Electric 4¼pc 1987	84	86
Gillette 4½pc 1987	78	80
Gould 5pc 1987	85	87
Halliburton 4¼pc 1987	134	136
Harris 5pc 1992	66	68
Hitachi 6½pc 1984	103	105
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	69½	71½
Komatsu 7½pc 1990	109	110
J. Ray McDermott 4¾pc '87	156	158
Mitsui 6½pc 1989	150	
J. P. Morgan 4¼pc 1987	124½	126½
Motorola 4½pc 1983	128	130
Owens Illinois 4½pc 1987	90	92
J. C. Penney 4½pc 1987	84	86
Pioneer 6½pc 1989	133	135
Rand Selection 6½pc 1986	98	100
Rank 4½pc 1993	40	42
Revlon 4¼pc 1987	99	101
Sperry Rand 4¼pc 1987	97½	99½
Squibb 4¼pc 1987	85½	87½
Toshiba 6½pc 1990	103½	104½
Union Carbide 4½pc 1982	107½	109½
Warner Lambert 4½pc 1987	94	96
Warner Lambert 4½pc 1988	90½	92½
Xerox 5pc 1988	77	79

Source: Kidder, Peabody Securities.

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SPERRY

Progress Report To European Investors

Continued Growth in Europe and around the World through Leadership in Computers, Farm Equipment, Fluid Power, Guidance and Control.

On 31st March 1975, Sperry Rand Corporation concluded another record fiscal year. The year produced turnover of $3.041 billion and net earnings of $131 million or $3.81 per share of common stock. Turnover was up 16.4% over fiscal 1974 and earnings 12.9% ahead. Even more importantly, Sperry's record within the past five-year period reflects increases in turnover of 75% and net earnings of 100%. During the five-year period our investment for research and development and in capital improvements increased by 74% and 97% respectively.

We are based in the United States but our operations reach around the world. Turnover from Sperry's international operations was 43% of the total in fiscal year 1975, up from 41% in fiscal 1974. Approximately $800 million of the total turnover came from our European operations. Sperry has more than 24,000 employees in Europe.

STRENGTH IN BALANCE

Sperry's strengths and growth potential come from the balance of our versatile product lines. We are among the leaders in every industry in which we are engaged, including Sperry Univac computers and office equipment, Sperry New Holland farm equipment, Sperry Vickers fluid power systems, Sperry Remington consumer products and Sperry guidance and navigation systems. Basic to any strong market position throughout the world is the continuing application of advanced technology in response to customer needs.

Here are some facts about our company that may be of interest:

SPERRY UNIVAC–
Computers and Office Equipment.

Sperry Univac is among the world's largest computer producers. An independent study reported recently that Sperry Univac's share of the European commercial market increased more than that of any other major computer manufacturer in the 1973-1974 period. In fiscal year 1975, computer related turnover increased for the 13th consecutive year to a record $1.29 billion, up 15% over fiscal 1974. Computer shipments, new orders and backlog all were records in fiscal 1975.

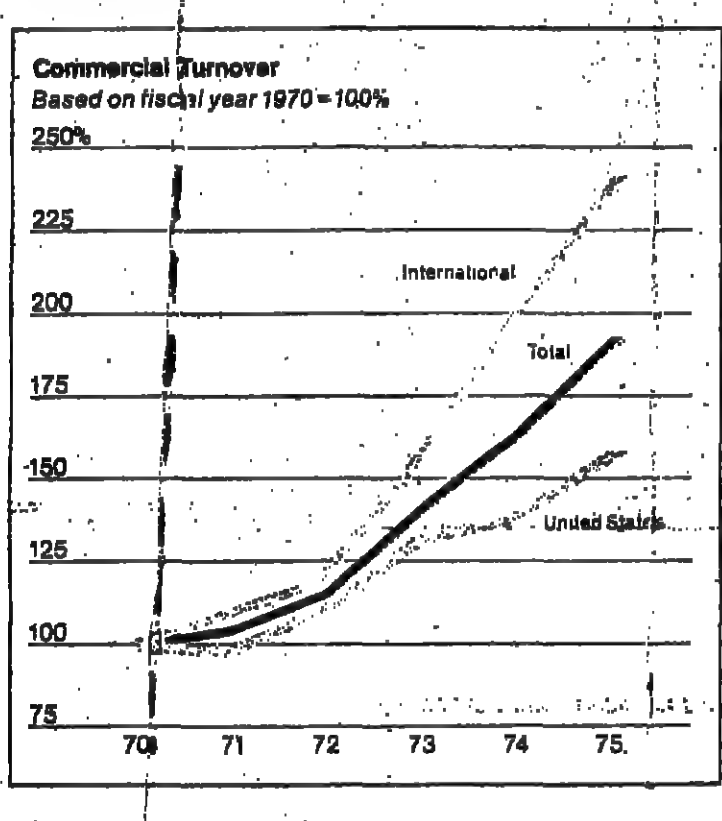
Over $300 million in additional turnover in fiscal 1975 was contributed by the former Sperry Remington Office Systems and Machines division, which was merged into Sperry Univac in 1974. The consolidation of these operations is providing important efficiencies in utilizing the people, technology and facilities of complementary product lines. We expect to see significant competitive benefits from this merger.

SPERRY NEW HOLLAND–
Farm Equipment.

Sperry New Holland is the largest manufacturer of grassland farm equipment in the world. Turnover in fiscal 1975 increased 36% worldwide. Numerous new and improved products were introduced, and these products are the foundation for growth in the future. In Europe, turnover increased more than 40%. A modernisation programme has added 30% to productive capacity in Belgium and a new headquarters is being established in Bielefeld, Federal Republic of Germany, to serve that market. Sperry New Holland also has major manufacturing facilities in Aylesbury, England and Dijon, France.

FINANCIAL FACTS IN BRIEF
(Except for per-share figures all dollar amounts are in millions.)

	1975	1974	% Increase
Turnover, total:	$3,040.9	$2,613.5	+16.4%
U.S. commercial:	$1,252.7	$1,088.5	+15.1%
International commercial:	$1,310.2	$1,080.6	+21.2%
U.S. defence & space:	$ 478.0	$ 444.4	+ 7.6%
Net Income:	$ 131.4	$ 116.4	+12.9%
Income *per share*:	$ 3.81	$ 3.38	
Stockholders' Equity:	$1,059.0	$ 953.1	+11.1%
Equity *per share* common stock:	$ 30.70	$ 27.65	
Backlog:	$1,854.0	$1,726.0	+ 7.4%
Number of shares outstanding:	34,493,858	34,469,678	



SPERRY VICKERS–
Fluid Power.

Sperry Vickers, the world's largest manufacturer of fluid power equipment, increased turnover by 22%, with pre-tax earnings 60% ahead of fiscal year 1974. As the economy has worsened our fluid power business which follows capital goods expenditure trends has been adversely affected and cost saving measures have been instituted. We look for improvement in the new order situation later this year but business overall will not be up to the fiscal 1975 level.

SPERRY–
Navigation, Guidance and Control.

Sperry has been a major name in navigation, guidance and control systems since Elmer Sperry invented the gyrocompass sixty years ago. Manufacturing in Britain began in 1915. Sperry division worldwide turnover in fiscal 1975 exceeded $300 million and profit and new orders also rose over fiscal 1974. Approximately 90% of the division's business is derived from defence projects. But commercial marine orders rose 19% in fiscal 1975 and we are expanding in other promising non-defence areas such as traffic control systems.

SPERRY FLIGHT SYSTEMS–
Aviation and Aerospace Systems.

Sperry Flight Systems is another major contributor to our guidance and control business line. The division recorded the best turnover and new order booking year in its history. The division's product mix of autopilots, cockpit instruments, gyro systems, computers and ground based test equipment has enabled it to achieve a leadership position in commercial, military, general aviation and space markets.

SPERRY REMINGTON–
Electric Shavers and Personal Care Products.

Sperry Remington, the corporation's consumer products division, is a well known name worldwide in electric shavers, hair stylers, clocks and other consumer products. In fiscal 1975, the depressed consumer demand affected business significantly. Business in the United States, representing 56% of total Sperry Remington turnover, sustained a loss but all international markets were profitable. Restructuring of the division during the year and new product development are expected to help improve operations.

MANAGING IN AN UNCERTAIN ECONOMY

Despite what we foresee as a poor economic climate through most of calendar 1975, Sperry's basic thrust will be to continue the pursuit of opportunities in markets where we now hold strong positions. We are committed to capitalising on the unique growth potential of the worldwide computer industry and retaining leadership in our other markets.

Our basic investments for growth must be maintained at as high a level as is prudently possible. We are at a juncture in the company's development where it would be imprudent to relax our emphasis on future opportunities in an attempt purely to cut costs. Our business goals can be achieved through good marketing, reliable product performance, practical cost control programmes and astute management of our assets and financial resources.

OUTLOOK

At the outset of fiscal 1976 we had a backlog which stood at a record $1.85 billion, with strong fiscal 1975 fourth quarter bookings in key areas. We expect business conditions during the year to be as difficult as in the past. The recession will provide the most serious threat to our objectives for continued increases in income, turnover and new orders. Nevertheless, our business plans are for growth in fiscal 1976, but at rates lower than in recent years.

We will be pleased to tell you more about Sperry. Simply complete and post the coupon below.

SPERRY
SPERRY RAND CORPORATION

Sperry
Corporate Office
78 Portsmouth Rd.
Cobham, Surrey, England KT11 1JZ

I want to know more about Sperry Rand Corporation. Please send me the information I have ticked below.

☐ Sperry Interim Report
☐ Sperry Annual Report
☐ 10-Year Financial Review

NAME________________

ADDRESS________________

COMPANY/ORGANISATION________________

Shares of SPERRY are listed on the LONDON, FRANKFURT, DUSSELDORF, PARIS, BRUSSELS, AMSTERDAM, ZURICH, BASLE, GENEVA, LAUSANNE, MUNICH, VIENNA, TOKYO and NEW YORK stock exchanges.

FINANCIAL TIMES REPORT
Friday, July 18th, 1975

BUSINESS INFORMATION SERVICES

The dependence of the economy on information is total. "Knowledge industries" now account for over half of total GNP, but still many major decisions are made in an expensive fog of ignorance.

Vital tool to reduce waste

"The Knowledge Industries," a term coined by the economist Fritz Machlup to cover all those sectors of the economy which depend on information rather than on physical force, now account for just over half the GNP in advanced countries such as the U.S. At the turn of the century, the knowledge industries accounted for less than one tenth of the total GNP. Since then, their growth has been tremendous, uninterrupted and unmatched in any other sector of the economy.

To-day, it is the skilled engineer or accountant, the man who applies his knowledge and information to the solution of business problems, who is the key figure in the advanced economies. The skilled assembly line worker, the manual worker, miner or welder has been replaced as the central figure in business life, by a specialist in a white collar, who depends on knowledge: the computer programmer, the teacher, the electronic engineer or the lawyer.

While water power was the basis for industrial expansion in the 18th century, and steam power the basis for the Industrial Revolution of the 19th century, information is the key to the development in the latter half of the 20th. To-day the backbone of the key industries of the U.S. be they space, computers, medicine, chemicals, pharmaceuticals, plastics or government are the scientists, engineers, market researchers, advertising experts and economists—all men who depend on knowledge. The role of the assembly line worker or the labourer—still important in the slow-growing industries like automobiles, steel or railways has diminished considerably in these new "knowledge industries."

Yet although the importance of information, knowledge, expertise and experience to industry and government has grown by leaps and bounds, particularly in the decades since the war, the processes for handling and disseminating that information have scarcely changed. The traditional library with its lines of bookshelves, the traditional classroom with its rows of desks and the traditional filing cabinet still remain the standard and most widely used methods of storing and imparting information.

With so much information processing and education still dependent on the technology of the 19th century it is not surprising that some disastrous governmental mistakes and business errors are caused by inadequate information or erroneous knowledge. The modern government department or business office is often in the position of an army fighting a modern war with outdated equipment. Without radar, helicopters, radio command posts or all the benefits of modern technology, it may be only dimly aware of the shape, nature and position of the enemy.

Elsewhere

How many Royal Commissions and government departments have mounted huge and costly investigations to discover the solution to a problem which has already been diagnosed elsewhere, perhaps in another country? How often have research departments spent years developing a new idea only to discover that it has already been developed elsewhere? How often has a product been launched into a market, and failed because the characteristics, tastes and attitudes of the consumer have not been properly understood? And how often has a take-over been made for a company, which later turns out to be in quite a different state of corporate health from that imagined?

Lack of information, inadequate information or incorrect information has certainly been responsible for the waste of millions of pounds and dollars. How much, it is impossible to say. But if one adds up the cumulative costs of the corporate disasters—the Ford Edsels, the government bungles with new roads built for which there is no use or hospitals sited in the wrong place, and the research bungles such as development of atomic power systems for which there would be no demand—the cost is astronomic.

Human error, of course, is responsible for most of these mistakes and human error will never be completely eradicated. But many of the decision-making errors have been caused because the decision maker has been presented, like the 19th century general, with only a dim and hazy view of the battlefield, obscured by smoke and fog. With first-class information, properly presented, it is certain that many of these mistakes might have been avoided.

The technology exists, to-day, for the rapid and effective spread of information, just as it does for surveillance on the battlefield. Computer systems are capable of storing a vast mass of information and selecting the appropriate statistics or formulae at the touch of a button.

They can present graphs and charts on screens, they can make calculations and adjustments and they can even answer theoretical questions—providing a model of what results would be achieved from certain decisions. They can transmit the information, literally around the world, and make it available in typed form, on computer tape, on microfilm or any other means.

Of course, the quality of the information that would be stored in these vast data banks is no better than the quality of the people who provide it and, therefore, on their knowledge. No technology can improve the quality of information—though it could point to obvious inconsistencies—but it can ensure that the best available information is provided at the right place at the right time.

Services which have been set up, either within companies and organisations, or as commercial information selling operations, have tended to concentrate on technical information, for that is the most easily codified and processed and sometimes also the most vital. Thus information banks have been set up to provide patent information. They can print out legal case histories and precedents for particular issues. They can store formulae and research results.

Routine

In the more technical areas they are quite widely-used for the storing and retrieving of routine information. The parameters and factors in the design of aircraft and their engines are amassed in huge computer files. The availability of airline seats, hotel rooms or houses for sale are stored in computer information banks. Crime statistics, licence numbers, population data, land use, traffic surveys and other Government information is stored in computers. So, in some cases, are medical records, so that in the event of illness away from home, a Swedish doctor, for instance, will soon be able to obtain the complete medical record of an accident victim, almost instantaneously.

Market research statistics, demographic data and income profiles are stored in computers and used by advertising agencies to help develop marketing campaigns. Oil companies keep track of their retail sales and their refinery operations and use a computer model to adapt shipping and refining capacity to market needs. Airlines adjust their schedules and their crew rosters through computer models of their operations. Shipping lines check on the profitability of proposed cargoes by checking them through a computer model.

Much has been achieved, in many diverse and unrelated areas, to make better information more readily available through modern technology. But even the most ardent supporter of business information systems would concede that progress in the more central and complex areas has been minimal. The number of chief executives, under-secretaries, research directors or stockbrokers who have any regular or systematic support in the form of computer data banks is minimal. Yet so often the right information at the right time could save millions of pounds or dollars in unnecessary commitments.

James Ensor

Newsletters proliferate

NEWSLETTERS ARE forming an increasingly important role in the process of keeping specialist audiences informed. It has been estimated that the quantity of knowledge doubles every ten years. Given that rapid pace of change, it is becoming more difficult for people to keep up-to date with developments even in their own fields.

Of course, the specialist magazines do have a role to play, but on the whole they tend to concentrate on focusing on subjects that get fairly in-depth treatment. Newsletters, on the other hand, aim to give readers a quick glimpse into what has been happening over the past week or whatever the frequency happens to be.

The newsletter service is by no means new. In fact, newsletters preceded the arrival of newspapers and in many cases were the precursors to newspapers. That role has now become historical, since most newsletters do not publish a great deal of new material. Instead, they assemble what the letter editor considers to be the signficant news on the particular topic and present it in a form which is quickly assimilable.

Comments

The reason that newsletters provide more than just a cutting service is that in many cases the editors and writers can give valuable comments on news events. They also need skill in selecting material.

One type of newsletter is aimed not so much at keeping readers well informed about specialist subjects but more at providing solutions to problems for the small businessman. This approach is used by Stonehart Publications, which has six letters in its fold. Its marketing policy is different too, and profits come from a relatively high number of subscribers rather than high subscription rates. Its most successful

CONTINUED ON NEXT PAGE

Serving the scientist

SOME IDEA of the scale on which scientific and technical information services operate to-day can be gained from the estimate of one of the oldest-established—that it would cost about £500,000 to break into the market for computerised services just to develop the data base. In fact, historically such services have tended to develop around individual disciplines and although inevitably in a multi-disciplinary world there is overlapping—*Chemical Abstracts*, the world's biggest abstracting operation, includes some physics for instance—head-on competition is rare.

New operations nowadays tend to develop through increasing specialisation and the fragmentation of traditional disciplines. One of the information scientist's dreams is that one day all these specialised services will be interlinked as an information network or common data pool, totally accessible to any subscriber. The obstacle to-day is incompatibility between the data bases, and the complexity of harmonising them through software alone.

The professional institutions have played a leading role in developing the major information services available to-day. In Britain the biggest began back in the 19th century with the appearance of the *Science Abstracts* family of abstracts journals, indexes and title bulletins published by the Institution of Electrical Engineers in 1898. It has grown into a computer-based operation called INSPEC (Information Services in Physics, Electrotechnology Computers and Control) which this year will contribute £1.4m. to the funds of the IEE. Its customers include Bell Telephone Laboratories in the U.S., the largest industrial research organisation in the world.

Computer

INSPEC was born in the late 1960s when a computer-based system of storing, retrieving and disseminating data, developed by the IEE with funds from the Government's Office for Scientific and Technical Information (OSTGI), supplanted the traditional abstracting service. The first step was to mechanise production of the existing range of IEE publications, by creating a data base and using a magnetic-tape-controlled film setter to put journals together from this data base, instead of typesetting the customary "hard" copy. The first issue of *Physics Abstracts* went to the printer as reels of magnetic tape in 1968, since when all IEE publications have been computer-typeset from the contents of the data base.

To-day INSPEC claims the biggest data base in English to be found anywhere in the world in the subjects covered. Each year it adds the relevant contents of 2,000 scientific journals, 2,500 university theses, 4,000 reports and 3,000 patents, together with 800 conference proceedings and books. A team of 35 full-time information scientists at INSPEC's offices in Hitchin oversees the activities of nearly 400 abstractors, expanding the data base at the rate of 500 additions a day.

INSPEC's customers can access this data base in a growing variety of ways. They can subscribe to such journals as *Physics Abstracts* (£165 a year) in paper or microfiche; or to ISMEC, the twice-monthly Information Service in Mechanical Engineering, produced jointly with the Institution of Mechanical Engineers. If they operate their own computer-based information service, customers can buy magnetic tape services.

Specifically designed for the engineer, scientist or manager is the SDI (Selective Dissemination of Information) service, which uses the computer to scan all documents entered each week, and sift out those matching the subscriber's own profile of interests. A continuous monitoring and feedback facility allows the subscriber to adapt this profile to his own changing interests.

For example, for £25 a year a subscriber can select one of 73 technical topics—from "Antennae and Antennae Arrays" to "Waveguides and Waveguide Components"—on which he will receive weekly details on cards of the latest published information. The latest tailored service is called Key Abstracts, started this year, in which the subscriber receives a monthly journal containing about 250 full abstracts, drawn world-wide, of such technologies as systems theory, electronic circuits or solid-state devices.

On-line retrieval of data is still developing rapidly, and goes hand-in-hand with the provision of adequate telecommunications facilities—still an impediment in some parts of the world. An important development still being studied is the idea of using colloquial words and phrases instead of the more rigid "key words," thus permitting the interrogation of the computer to solicit data that would not normally be retrieved by the more formal approach.

A group of four professional institutions—the Royal Aeronautical Society, and the three Institutions of Chemical, Mechanical and Structural Engineers—are behind another long-standing commercial data service, the Engineering Sciences Data Unit (ESDU). This service goes well beyond the simple abstraction of data, by attempting to distil a mass of information from many sources—some unpublished, sometimes conflicting—into a coherent and reliable aid to the designer. The service has some 35 years of experience in its data items. It claims to be able to provide the engineer with authoritatively verified data at small fraction of the cost of gathering, sifting and collating it himself.

Aircraft

ESDU's techniques originated in the aircraft industry in Britain at the start of World War II, and for the past decade have been spreading to other sectors of engineering. Its strength lies in the way it can harness experts in sectors of design engineering to work with its own qualified staff in preparing the data items.

Over 600 data items, from a single page upwards, are in print to-day. Users are encouraged to make known their experience in using the data, and to let ESDU know of any additional data they can provide, or to which reference might be made. Similarly, they are encouraged to report any difficulties encountered in working with the data items.

One of the latest series of data items concerns gas turbine noise and its suppression, for which the unit has had the co-operation of the Procurement Executive of the Ministry of Defence. An Aircraft Noise Committee under the chairmanship of Professor I. C. Cheeseman of the University of Southampton has taken overall responsibility for this series. Data items thus far available include "An introduction to gas turbine exhaust noise" (eight pages), and "Estimation of subsonic far-field jet mixing" (12 pages).

One wry comment that needs to be made about both the INSPEC and ESDU services is how much easier their proprietors find it to promote them abroad than within British industry. INSPEC, for example, exports over 80 per cent. of its service at present. ESDU exports over 70 per cent. by value, but as Dr. Anthony Barrett, managing director, points out, the indifference of British industry is all the more apparent when it is appreciated that the costs to overseas customers are twice as great as to subscribers in Britain.

David Fishlock
Science Editor

Finance systems

NOBODY HAS a greater need for rapid, accurate and detailed information than the men who work the markets of the City of London and other major financial centres. Stockbrokers and jobbers, commodity brokers, currency brokers, shipbrokers and underwriters depend for their livelihood on keeping abreast of rapidly changing market trends and circumstances.

Too often, the traditional methods used to disseminate information have failed under pressure, such as the time when the tape machines ran hours behind during the Great Crash on Wall Street. But, to-day, most of the major exchanges are installing highly-sophisticated and expensive computing systems to give their members more accurate information than their fathers would have dreamed of.

The Ariel system, set up for the London stock market five years ago, actually matches bids and deals in a number of the most popularly traded stocks, thus completely eliminating the role of jobber and broker.

Originally set up by 17 leading merchant banks and accepting houses, Ariel was designed to complete direct deals between the major insurance companies and pension funds which buy and sell large blocks of shares. At the same time, it provides its customers with a running record of the prices being established for each share and the likely strength of the market for big blocks.

Other financial centres have much more impressive computer systems designed to give a full financial and information service as well as providing an automatic market for shares. In Frankfurt, the Bourse has set up a system, which provides an industrial analysis service in addition to handling the share and bond accounting business. Using a list of share prices on other European and foreign exchanges provided by Reuter—over its own computer-controlled information network—the Frankfurt computer can print out a list of closing prices on more than 20,000 stocks by the next morning.

Expanded

This service is being expanded, with the help of the German economic newspaper *Handelsblatt*, into a full bank inquiry service on economic and industrial information. Any subscriber to the service can use his own computer terminal to obtain a print-out on the performance of the 25 key industrial sectors in 20 major markets. Thus a subscriber could inquire about the trends, profitability, growth, export record of the U.S. steel industry or the French shipbuilding business and receive a concise and almost instantaneous response.

The German markets, of which Frankfurt is the largest, are moving steadily and fairly quickly towards a system under which all bids and deals will be handled by computer. Since German shares are bearer bonds and are stored centrally—in Frankfurt at the Frankfurter Kassenverein—it is relatively straightforward to complete the accounting and transfer work centrally, through a computer. In addition, the computer can, of course, rapidly produce a list of transactions completed and a report of the prices made for transmission to newspapers or bank terminals.

In Paris, the French Government has backed ambitious plans to convert the entire Bourse to computerised trading and information. The Paris market is divided into two sections, an odd-lot market of all the 4,500 or more securities on the market, known as the Comptant, and a smaller, specialised market which deals only in the 240 most popular shares.

Prices are set, as in Germany, by matching bid prices and selling offers until the market is cleared, without the intervention of jobbers. Thus, it is relatively easy to substitute a computer for the share specialist, who has the routine task of comparing two sets of prices and finding the point where buyers and sellers are in equal strength.

The French banks have also been enthusiastic about the use of computer terminals for direct access to the market. For some years, they have been able to obtain market price quotations over their terminals, but there was considerable opposition from the unions to the proposal that this should be linked into the exchange computer for use in bidding and dealing.

Despite the obvious opposition from many quarters—brokers and jobbers who faced a substantial loss of income were violently opposed to London's Ariel system—the speed and accuracy of modern computers makes it certain that most financial and commodity will become automated in time. The process of matching quantities bid for and quantities on offer is a routine one, which an electronic system, properly programmed is well capable of handling. It cannot, perhaps, provide the intuitive skill of the jobber or underwriter who has to make an instinctive appraisal of likely market trends, but in many financial markets it can provide the information on which to base those judgments.

The idea of a data bank, readily available at the touch of a key on a visual display terminal, providing a Lloyd's underwriter with the pattern of risks on an airline proposal may seem far-fetched. But in fact, such information banks are already widely used in the commercial environment, where many companies operate their order processing or their customer accounting on this sort of basis.

Clerical

Of course, the service is expensive: certainly more so than the filing cabinet where many market men may keep all documentary history and information that they need for their dealing. But the computer data bank can double as a clerical system, completing all the documentation and paperwork required in a financial institution—and that is an expensive overhead. Thus, the cost of the data may be paid for by the basic load of clerical work that the computer performs, with the market information and statistics provided free as a bonus.

Stock markets and commodity markets in Europe increasingly will find themselves in direct competition for business, as the Brussels Commission moves forward in its plans to harmonise capital rules and free capital movements. Clearly the quality and speed of the information available in each centre will be one of the factors to determine success.

James Ensor

Newsletters

CONTINUED FROM PREVIOUS PAGE

venture is called the "Company Directors Letter," which sells for £24 a year (£16 a year for the first year). It has a circulation of over 10,000 and aims to inform managers about current trends in business and how to solve problems of the day.

There are also letters on tax and insurance, property (both in the U.K. and in Europe) and investments. These range in price from £12.50 to £36 a year. Once again, specialists are chosen to edit and write the letters.

The biggest publisher of the information newsletter is the Financial Times. Its Syndication Department publishes nine newsletters on a variety of subjects. A typical one is called "Petromoney," a 20-page weekly news service which aims to give details of most of the news events that have been reported in various locations throughout the world, including Venezuela and Nigeria as well as the Middle East.

Other topics covered by FT newsletters include insurance, tax, European law, North Sea oil and commodities. Subscription prices vary between £50 to £100 per year depending, of course, on the frequency of publication.

Investment letters have been a legend since the days of the Great Crash. More recently, an American, George Schaeffer, almost single-handedly brought down gold shares in the midst of their recent boom by recommending to readers of his newsletter that they sell gold shares. Subsequently (and before his tragic death) he reversed his decision and recommended purchase of gold shares. The unfortunate incident proved again the power that some newsletter writers have in their field. Of course, over 32m. Americans own shares so that there is plenty of scope for the talented writer to make a living writing investment letters. One of the most famous is James Dines, the gold bug, who has recently adopted the habit of holding conferences not only in the U.S. but in London too.

Three American expatriates publish letters from Europe: Mr. Bob Beckman and Mr. David Fuller from London and Dr. Harry Schultz from Amsterdam. The exercise is quite international. One of the shrewdest and most successful in the field is Mr. Fred Macaskill, who has cultivated an international readership from Johannesburg.

Many of these professional investment letter writers charge large sums for their services and do not need large subscriptions to earn a living. Some professional investors are luckier and get their investment letters free from their stockbrokers who have large investment research departments. In these, staff analysts give comments on market trends and different shares.

Finally, the letter market includes a handful of individuals who publish newsletters on diverse subjects varying from legal matters to money, food or tax. Most of these provide a service for individuals rather than corporations. But one exception is "Eurofood" the monthly newsletter published by Agra-Canadian Publications for £210 a year (£186 in the first year).

Diverse

The general market for newsletters, diverse as it is, has expanded greatly over the past few years, partly because of the entry of several publishers and the need for more readily accessible facts and opinions. Over the short-term, however, the market is likely to undergo some contraction. Newsletter subscriptions are probably high on the lists of expendable costs of most companies and people. Already one organisation has reported a 40 per cent. drop in subscriptions for the current year. Faced with rising charges, that kind of contraction of the market could be fatal for some of the smaller operators.

There are three factors that determine the success or failure of a newsletter: a comprehensive mailing list, the topic of the letter and the price. The key to success is the mailing list. And in the U.K. this is still a developing field, unlike in the U.S. where one can rent a list of dentists in Miami who may be interested in buying diamonds, or swimming pools or mint humbugs.

If, through the list, you can identify a large albeit specialist market, you are halfway to success. So, until lists become as sophisticated as in the U.S., newsletters are unlikely to reach a mass audience.

Roy Levine

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Nervous selling—off another 7 points

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 17.

PRICES TUMBLED for the second consecutive session on Wall Street to-day, reflecting interest-rate nervousness and also Mid-East uncertainties.

The Dow Jones Industrial Average further declined 7.83 to 864.28 and the NYSE All Common Index lost another 48 cents to $50.24, while losses outpaced gains by 922-to-502. Trading volume dipped another 3.83m. shares to 21.42m.

Profit-taking was said to be the chief reason for the weakness following the report that the Federal Reserve might again be tightening its monetary policy and to a spreading bank prime rate increase.

Chase Manhattan joined other major banks in raising the prime rate ¼ per cent. to 7½ per cent.

The rising prime rate raised fears that rates would again spiral sharply higher and that inflation would rekindle along with the expected upturn in the economy in the second-half this year.

Northrop fell $2¾ to $28½—the Board accepted the resignation of its chairman, Thomas V. Jones.

Xerox lost $1½ to $68 on expectations of "flat" or slightly higher quarterly earnings.

Gillette gave way $1¾ to $29¼ on lower profits. Eli Lilly dipped $1½ to $74 on "flat" earnings.

Union Carbide shed $1¾ to $60¾—it said second quarter earnings were "off more than expected."

Alcoa gave up $1¾ to $46⅞ on lower quarterly results.

Boise Cascade slipped $1 to $25¾, also on lower profits.

Polaroid gained $¾ to $38 following a bullish earnings statement.

Baker Oil Tools were down $1½ to $54¾ but Reed Tool rose $1 to $84½ on agreement to merge.

Polaroid put on $¾ to $39 on second quarter net of 41 (7) cents a share.

Tonka advanced $¾ to $12¼ on higher second quarter net.

Great Western United reacted $¾ to $37¾.

Gillette were off $1½ to $29¼ on lower second quarter net.

Bausch & Lomb gained $1¾ to $88⅝ on higher second quarter net.

The American SE Market Value Index was down 0.37 to 93.70, with declines outnumbering advances by 389 to 287.

PARIS — Narrowly mixed in quiet and hesitant trading, receiving some encouragement from the June trade surplus and a reduction in the call Money Market rate to 7½ per cent.

Banks, Electricals, Foods and Portfolios were mixed, Oils, Chemicals, Metals and Engineering a little lower, while Constructions and Motors firmed.

Americans followed Wall Street lower, Germans were steady, Dutch, Canadians, Foreign Oils and Golds fell back.

BRUSSELS—Mixed, with a majority of falls after a quiet session. Wall Street was again the main influence.

Profit-taking forced U.S. shares down. General Motors dropped Frs.65 to Frs.2,030, ITT Frs.24 to Frs.978, IBM Frs.130 to Frs.8,140, Westinghouse Frs.12 to Frs.772, Boeing Frs.24 to Frs.1,136 and Union Carbide Frs.50 to Frs.2,365.

In quiet Domestics, Steels eased. Cockerill were off Frs.8 to Frs.1,052. In mixed Metals, Union Miniere lost Frs.16 to Frs.1,374 but Hoboken rose Frs.25 to Frs.4,105. Chemicals were irregular while Holdings were mostly lower. In reduced Oils, Petrofina declined Frs.110 to Frs.5,230.

AMSTERDAM—Market generally weakened in quiet dealings. Internationals were led down by Royal Dutch and Philips.

Domestics gave ground led by Algemene Bank and Nationale Nederlanden. Shippings improved. State loans again firmed.

OSLO—Banks and Insurances were quiet, Industrials irregular and Shippings slightly steadier.

COPENHAGEN — Narrowly mixed in moderate dealing, with Banks and Commodities slightly higher while Communications were slightly lower.

GERMANY—Shares continued lower on lack of orders and Wall Street's weaker trend.

Banks generally declined. Deutsche Bank lost DM1.50 to 327.50, Dresdner Bank also DM1.50 to 248.50 and Commerzbank DM1.70 to 212.

In mixed Electricals, AEG declined DM0.40 to 74.80, while Siemens advanced DM1.40 to to 273.40. Chemicals were mixed, with leading issues lower. Hoechst dropped DM1.50 to 131.50, BASF DM1.40 to 143 and Bayer DM1.70 to 116.60. Metals were lower.

Motors declined. BMW slipped DM0.50 to 231.50, Daimler DM2 to 309 and VW DM3 to 107. Machine Makers mostly advanced on relatively strong demand. Steels were mixed to lower.

VIENNA — Mixed in thin trading. Industrials declined while most other sectors were quietly steady.

SWITZERLAND — Markets fluctuated narrowly with an easier bias. Trading remained rather thin.

Major banks lost some ground. Swiss Bank were off Frs.4 to 437 and Credit Suisse Frs.10 to 2,915.

Pharmaceuticals were little changed, although Sandoz Bearer put on Frs.15 to 4,425. In Stores, Jelmoli gained Frs.10 to 1,090.

Dollar stocks were weaker in a moderately active Foreign sector. Dutch Internationals were barely steady while Germans were slightly irregular.

TOKYO—Market eased with the overnight fall on Wall Street sparking selling of leading issues by both foreign and local dealers.

Sony declined Y100 to Y3,600 on foreign selling with other leaders following.

Housings, Constructions, Pharmaceuticals, Electricals, Motors and Shippings eased, while some speculative issues met demand but lacked follow-through support to consolidate early gains.

HONG KONG — Firm on increased turnover.

Constructions led the advance. Paul Construction rose 15 cents to $HK2.80 while Sun Co. gained 17.5 cents to $HK2.25.

Jardine Matheson further improved 60 cents to $HK23.80 and Hutchison moved up to $HK2.15.

AUSTRALIA—There was renewed support for Energy stocks in an otherwise hesitant market.

Coals, Uraniums and Oils firmed under the lead of Pancontinental, which rose 32 cents to $A4.02. AAR advanced 5 cents to $A1.20, and Woodside-Burmah put on 2 cents to 78 cents, while Utah gained 6 cents to $A8.10.

Peko-Wallsend finished 10 cents down at $A3.00.

BHP were 6 cents off at $A7.20 after rising to $A7.30.

JOHANNESBURG—Gold shares were moderately easier reflecting overnight U.S. prices.

Financial Minings were slow. Platinums and Coppers were untested, as were most other Metals and Minerals.

OTHER MARKETS

Canada lower

All sectors gave ground on Canadian stock markets yesterday.

The Industrial Share Index lost 0.81 to 193.38, Golds 2.78 to 397.87, Base Metals 0.84 to 81.46, Western Oils 0.98 to 197.92, Utilities 0.34 to 132.61, Banks 1.13 to 270.04 and Papers 0.63 to 110.26.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
July 17	68.63	172.16	864.28	83.85	21,420
16	68.95	172.61	872.11	85.81	25,250
15	63.91	173.23	881.21	84.74	26,340
14	68.80	172.88	875.86	84.71	21,900
11	68.79	172.69	871.09	84.48	22,210
10	68.93	172.48	871.87	84.20	28,880
9	68.85	172.05	871.87	83.31	26,550
8	68.85	169.86	857.79	85.24	12,890
7	68.69	169.21	861.09	85.69	15,850
3	68.89	169.78	871.79	84.45	19,000
2	68.96	170.07	870.32	84.74	13,550
1	69.28	171.71	877.42	85.44	20,390
June 30	69.32	171.13	878.99	86.88	19,430
27	69.42	171.54	875.19	86.03	18,320
26	69.51	169.90	874.14	86.34	34,560
25	69.67	168.59	872.73	86.69	21,610
24	69.62	168.10	869.06	87.07	36,620
1975 High	69.82 (4/4)	174.19 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (6/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88	1051.70	163.32	—
Low	—	13.23	41.22	10.58	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

July 11	July 3	July 5, 1974
4.44	4.44	4.66

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	July 17	July 16	July 15	July 14	July 11
51.24 (16/7)	37.06 (2/1)	50.24	50.72	51.24	50.88	50.71

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,823	502	922	399

	July 17	July 16	July 15	July 14	July 11
New Highs	62	202	516	216	143
.. Lows	2	1	6	7	5

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	July 17	July 16	July 15	July 14	July 11
96.90 (16/7)	62.20 (2/1)	93.70	96.27	96.60	96.14	95.27
Volume (000's)		2,890	3,560	4,660	5,590	5,489

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
July 17	105.09	93.63
16	106.25	94.61
15	107.40	95.61
14	106.92	95.19
11	106.30	94.66
10	106.51	94.81
9	106.54	94.80
1975 High	107.40 (15/7)	95.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 30 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	July 16 1975	July 9 1975	July 18 1974
Ind. Ord. yield pc	3.60	3.59	4.08
Ind Ord. p/e ratio	11.87	11.82	10.59
Long-term Govt. Bds. per cent.	8.78	8.77	8.73

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Hoerner Waldorf	361,500	13	+1
CITI Corpn.	250,700	35⅜	−½
Polaroid	[illegible]	39	+¾
Texaco	187,100	27⅛	−¼
Levitz Furniture	152,100	6⅞	−¼
Occidental Petrol	178,600	21⅛	−⅛
Gulf Oil	140,900	22⅞	−¼
Boise Cascade	134,500	25¾	−1
Searle G.D.	132,800	15⅛	−⅛
Nomast Utilities	132,300	9⅞	+⅛

TORONTO

INDUSTRIAL INDEX

July 17	July 16	1975 High	1975 Low
193.38	195.19	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

July 17	July 16	1975 High	1975 Low
204.92	205.18	205.63 (15/7)	159.93 (2/1)

COMBINED INDEX

July 17	July 16	1975 High	1975 Low
197.47	198.43	198.90 (15/7)	158.02 (2/1)

JOHANNESBURG

	July 17	July 16	1975 High	1975 Low
Industrials	238.3	238.9	238.9 (16/7)	183.2 (28/1)
Golds	307.3	310.2	379.1 (2/1)	295.3 (13/4)

1966=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	July 17	July 10	July 3
On Dividends	7.38	7.20	7.17
On Earnings	14.08	13.88	13.74

SYDNEY ALL ORD. INDEX

July 17	July 16	High 1975	Low 1975
368.14	370.94	383.55 (4/6)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

July 17	July 16	High 1975	Low 1975
324.21	326.69	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ⊕

July 17	July 16	High 1975	Low 1975
328.79	323.13	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

July 17	July 16	High 1975	Low 1975
230.40	230.91	268.69 (11/5)	153.96 (9/1)

EUROPE

	July 17	Previous	1975 High	1975 Low
Belg'm (a)	108.08	108.59	111.81 (15/5)	89.01 (2/1)
Denm'k (b)	90.46	90.39	92.50 (13/6)	73.08 (13/1)
France (d)	64.7	64.7	72.8 (25/4)	61.70 (2/1)
Germ'y (e)	702.8	701.0	729.1 (16/4)	578.5 (2/1)
Holland (f)	100.8	101.0	107.8 (6/6)	85.6 (2/1)
Italy (g)	82.62	83.21	106.8 (21/2)	28.21 (16/7)
Spain (h)	98.36	98.01	110.36 (27/4)	95.50 (4/7)
Sweden (k)	327.06	324.90	327.06 (17/7)	510.68 (9/1)
Switz'rl'd (m)	270.1	268.9	295.1	[illegible]

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan 1972. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

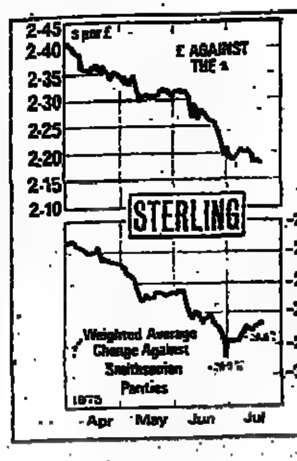
$ remains firm

The dollar continued its recent advance in the foreign exchange markets yesterday helped by confidence in the recovery of the U.S. economy and by confirmation of grain sales to the USSR. Trading in sterling was quiet ahead of publication of the retail prices index for June. Movements in the foreign exchange markets in general tended to be within a narrower range than of late.

The pound opened at $2.1840-$2.1850 and during the afternoon touched a low point of $2.1770-$2.1780, before closing at $2.1795-$2.1805.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) narrowed on balance to 26.6 per cent., from 26.9 per cent. the previous evening, and stood at 26.9 per cent. at noon and in early dealings. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 4.26 per cent., from the previous 4.39 per cent. Sterling's depreciation on a similar basis also improved to 32.48 per cent. from 32.62 per cent.

Gold continued to be a very quiet market, even though future American grain purchases by the USSR may lead to further sales of the metal by the Russians. The metal closed at $163½-$164½ after opening at $164-$165. The krugerrand for domestic delivery closed unchanged at $174-$176 (£79¾-£80¾).



EXCHANGE CROSS-RATES

July 17	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.4890-905	58.80-88	6.725-735	5.42-43	97.26-38	94.90-95.08
N. York	40.12-15	—	23.62-65	2.7025-75	2.1750-1760	39.04-07	38.12-1½
Paris	169.62-.02	4.1985-2095	—	11.3665-810	9.1650-880	164.6-165.0	161.225-625
Brussels	14.29-86	36.92-97	8.76-81	—	80.51-70	14.46-51	14.14-20
London	5.41½-43½	2.1795-1805	9.20½-21¼	80.55-75	—	5.57-58	5.71¼-72¼
Am'erdam	102.97-3.02	2.5517.42	60.68-75	6.9050-80	5.5685-715	—	97.795-845
Zurich	105.25-41	2.620-622	61.94-2.04	7.071-09½	5.712-719	102.30-46	—

U.S. $ in Montreal. U.S. $ = 103.04-103.08 Canadian cents.

Canadian $ in New York. $C1=97.07-97.09 U.S. cents. U.S. $ in Milan 649.65

Sterling in Milan 1418.10.

EURO-CURRENCY INTEREST RATES*

July 16 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W. German mark	Swiss franc
†Short term	8⅞-8⅞	5½-6	5-6	2-2½	3⅝-3⅝	4⅛-4⅜
7 days notice	8⅞-8⅞	5⅜-6⅛	5¼-5¾	2-2½	3⅞-3⅜	5-5½
Month	8⅜-9¼	5⅞-6⅜	5⅜-6⅛	2⅞-6⅛	5¾-5⅞	4-4½
Three month	10-10⅜	6⅞-7	[illegible]	3⅞-4⅛	4-4⅛	4⅛-4⅞
Six months	11-11⅜	7⅝-8⅛	8¼-8¾	5½-5⅞	4⅞-5	5¼-5¾
One Year	11⅞-12¼	8⅛-8⅝	8⅞-9⅛	6⅝-6⅞	5¼-5¾	5⅞-6⅛

Euro-French deposit rate short-term 13-14 per cent.; seven days' notice 13½-13½ per cent.; one-month 13½-14 per cent.; three months 13¼-13¾ per cent.; six months 11¾-13½ per cent.; one year 13-13¾ per cent.

Longer-term Eurodollar deposits: two years 8¾-8¾ per cent.; three years 9-9¼ per cent.; four years 9¼-9¾ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposits: one month 5¾-6¼ per cent.; three months 6½-6¾ per cent.; six months 7¼-7½ per cent., one year 8¾-8 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	July 17 1975	July 16 1975
Gold Bullion (a fine ounce) Close	$163½-164½	$163.7-164.7
Opening	$164-165	$164½-165½
Morning fixing	$164.50 (£75.321)	$164.3 (£75.606)
Afternoon fixing	$164.10 (£75.275)	$164.1 (£75.344)
Gold coins domestically Krugerrand	$174-176 (£79¾-80¾)	$174-176 (£79¾-80¾)
New sov'r'gns	$51¼-53¼ (£23½-24½)	$51½-53¼ (£23½-24¼)
Old sov'r'gns	$51½-53¼ (£23¾-24½)	$51¾-53½ (£23¾-24½)
Gold coins internat'nally Krugerrand	$169-171 (£77½-78½)	$169-171 (£77¼-78¼)
New sov'r'gns	$50¼-51¼ (£23-23½)	$50¼-51¼ (£23-23½)
Old Sov'r'gns	$50¼-51¼ (£23-23½)	$50¼-51¼ (£23-23½)
$ 20 Eagles	$244-248	$244-248
$ 10 Eagles	$120-125	$126-126
$ 5 Eagles	$86-90	$87-91

FOREIGN EXCHANGES

July 16 1975	Bank Rates %	Day's Spread	Close
New York	6	2.1770-2.1850	2.1795-2.1805
Montreal	8¼	2.2335-2.2445	2.2420-2.2440
Amsterdam	6	5.55½-5.60	5.57-5.58
†Brussels	6½	80.40-80.90	80.55-80.75
Copenh'gen	8	12.48-12.61	12.49½-12.50½
Frankfurt	4½	5.38-5.43	5.41½-5.42½
Lisbon	6½	55.25-56.00	55.75-55.95
Madrid	†7	124.80-125.30	124.85-125.05
Milan	7	1,418-1,421	1,418½-1,419½
Oslo	6½	11.37-11.42	11.38½-11.39½
Paris	9½	9.12-9.25	9.20½-9.21½
Stockholm	7	9.00-9.07	9.06-9.07
Tokyo	8	642-652	645-647
Vienna	6	37.90-38.40	38.20-38.40
Zurich	4½	5.67-5.73	5.71½-5.72½

† Basic discount. Rates given are for convertible francs; closing financial franc 84.90-85.20.

OTHER MARKETS

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—86½% (86¼%).

NEW YORK

CANADA

GERMANY ◆

July 17	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	74.8	−0.4	—	—
Allianz Versich.	492	+2	17	1.7
B.M.W.	231.5	−0.5	14	3.0
BASF	143	−1.4	17	5.9
Bayer	116.6	−1.7	17	6.9
Bayer Hypo.	316	−5	18	2.8
Bayer Vereinsbk.	336.6	−1.5	18	2.5
Commerzbank	212	−1.7	17	4.1
Conti. Gummi	74.8	−2	—	—
Daimler	309	−2	15	2.4
Degussa	250.1	+0.1	18	3.9
Demag	212	−2	16	3.8
Deutsche Bank	327.5	−1.5	20	3.0
Dresdner	248.5	−1.5	18	3.6

PARIS

MILAN

SWITZERLAND ◆

AMSTERDAM

July 17	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	104.5	+2.8	18	3.4
Akzo (Fl.20)	41.7	−0.4	20	9.6
Algem Bnk (Fl100)	358.5	−7	20	5.5
AMAS NV (Fl.10)	12.6	+0.1	10	7.9

TOKYO ¶

Source Nikko Securities Tokyo

STOCKHOLM

AUSTRALIA

July 17	Aust. $	+ or —
Acrow Australia	†0.60	+0.05
Adelaide Brig'ton Cem't 50c	†0.66	−0.07
Allied Mntg. Trdg. Indus $1	†1.58	−0.05
Ampol Exploration	†0.85	......

BRUSSELS

OSLO ◆

COPENHAGEN

VIENNA

JOHANNESBURG

MINES

INDUSTRIALS

SPAIN ▼

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

FARMING AND RAW MATERIALS

More Soviet grain purchases

BY ADRIAN DICKS

WASHINGTON, July 17.

FOLLOWING PURCHASES of some 5.4m. tons of wheat from the U.S. and Canada within the past 24 hours, the Soviet Union is expected here to conclude similar agreements with major American exporters to buy a roughly similar quantity of feedgrains.

Such a deal, or series of deals, would then appear to give the Russians all the grains they are at present thought to require from abroad in order to make up the estimated shortfall in their own crops.

Last night's announcement by a major American exporter, Cook Industries, of a 2.2m. ton sale to Moscow was followed by confirmation from another exporter, Cargill, that it had concluded a deal to sell 1.2m. tons. This morning the Canadian Wheat Board revealed they had sold 2m. tons.

According to predictions by the U.S. Department of Agriculture, the Soviet Union now needs about 5m. tons of wheat and 5m. tons of maize, barley and possibly other animal feedstuffs, as a result of persistent drought in its major grain growing regions.

Reports that a third U.S. exporter, Continental Grain, had concluded a sale of maize and barley could not, however, be confirmed. Indeed the company officially denied it had sold grain to Russia, while Bunge also said that negotiations had not borne fruit yet.

Sensitive

News of the Russian purchases, which had been expected for the past 10 days, was received relatively calmly. In early dealings in Chicago, professional traders were said still to be taking profits from last week's sharp price increases, and though there were further advances, no clear trend emerged.

Congressional reaction to the sales was also somewhat muted. Senator Mike Mansfield, Majority Leader in the Upper House, called for the Soviet deals to be "watched with a very sharp eye to see that what occurred in 1972 will not occur in 1975."

As a result of the Russians' coup three years ago, in cornering some 19m. tons of grain at very low prices, the whole issue remains acutely sensitive to Americans, and there have already been predictions that consumer food prices will be driven upwards.

Most independent experts, however, agree with Mr. Earl Butz, the U.S. Agriculture Secretary, and his economists that U.S. crops this year promise to be large enough to accommodate Russian needs without severe effects on prices or supplies.

The wheat crop is expected to reach a record 2.18bn. bushels, 22 per cent. more than last year, while the maize crop is expected to top the 6bn. bushel mark.

The official view is that up to 14m. tons could be sold to the Russians without serious disruption. Some grain market sources in Chicago go so far as to say the effect of any total sale of less than 10m. tons would be inconsequential in view of the prospective U.S. surpluses.

However, a number of uncertainties do hang over the issue. The weather remains the major imponderable, with the chance still that the Russian crop will be even smaller than is now forecast and that the U.S. crop might also be smaller.

Some grain traders express mild concern at recent hot, dry weather in the maize-growing areas of Iowa and Illinois, and the next two weeks' weather will be closely watched.

Our Ottawa correspondent reports that the prices paid by the Soviet Union for Canadian No. 1 and No. 2 Western Red Spring wheat were estimated to be around $4.25-$4.30 a bushel. Shipments will start in October.

There was little reaction in the London grain markets to the news of further Soviet purchases.

EEC wheat plan change

BY ROBIN REEVES

BRUSSELS, July 17.

THE EUROPEAN Commission now seems likely to delay, and perhaps even abandon, the plan to pay a premium of 8 units of account (some £4) a tonne for wheat incorporated into animal feedingstuffs.

The recent rise in world grain prices, triggered by the Soviet Union's sudden buying interest, has revived opportunities for the Community to rid itself of a carryover surplus of some 6m. tonnes through export to international markets—at no great cost in export subsidies.

As a result, the Commission is reportedly now taking the view that the payment of an incorporation premium between August 1 and November 30—the original plan—is, for the present, not economically justified.

The premium was being proposed as part of a longer term plan to introduce a two-tier support system for the EEC wheat market so as prevent the new varieties not suitable for bread-making, such as Maris Huntsman, Clement and Talent, from benefiting from an intervention price designed to support the market in wheats of milling quality.

The commission had been prepared to pay the incorporation premium provided the Council of Agricultural Ministers accepted the principle of a two-tier market for the future.

However, it also seems that the closer Commission officials examine the technical problems of differentiating between wheats of milling and non-milling quality, the more they are coming to the conclusion that two different intervention prices may be impossible to police adequately.

The signs are therefore that the Commission will eventually propose keeping a single wheat intervention level but that this will be pitched much closer to those of feed grains.

Tackling milk powder 'mountain'

BY ROBIN REEVES

BRUSSELS, July 17.

MR. PIERRE LARDINOIS, the Commissioner responsible for agriculture, is due to give a press conference here to-morrow at which he is expected to outline Commission proposals for dealing with the EEC's rapidly-rising skim milk powder "mountain." He will also deal with the problems of the dairy sector generally, which accounts for around half the cost of the common agricultural policy.

EEC surplus skim stocks are well over 0.5m. tonnes and still rising rapidly, in spite of the unfavourable weather for milk production so far this summer.

Mr. Lardinois can be expected to announce a series of measures for dealing with the surplus including increased food aid and perhaps its use as animal feed.

But he is also bound to reiterate that there is a structural surplus in the Common Market dairy sector which will only be brought under control by an element of "co-responsibility." In other words, producers must carry part of the cost of dealing with surpluses.

The Commission's "stocktaking of the Common Agricultural Policy" proposes this should be done by paying any increase in the annual milk price in two parts, the second increase to be withheld in September if dairy stocks rise above a certain level.

Mr. Fred Peart, the U.K. Minister of Agriculture, is believed to be unhappy with this proposal, in common with most, if not all, of his EEC agricultural colleagues.

He would prefer instead, a lowering of the butter intervention price. The beauty of this from the British point of view is that it would all but isolate U.K. dairy farmers from "co-responsibility," since only residual quantities of British milk go into butter production.

But, for this reason, the chances of the British proposal being accepted by the Commission and the Council of Ministers is, to say the least, somewhat slim.

Tin market advances

By Our Commodities Editor

TIN PRICES advanced on the London Metal Exchange yesterday, with some sustained speculative buying in afternoon trading encouraged by a weaker tone in sterling.

Standard grade cash tin closed £31.5 higher at £3,120.5 a tonne, but the bulk of business was done in three months, which gained £24 to £3,131.5.

The firmer tone of the London market was set by a sharp rise in Penang overnight, where the Straits tin price jumped by over $M11 to $M951.325 a picul. The Eastern market has moved up steadily in the past week or so from $M923, aided by buffer stock support buying.

In contrast to tin, other base metal markets showed a downward trend. There was some heavy selling in copper during the morning, but most of the losses were erased in later trading when sterling weakened again.

The Council of Copper Exporting Countries (Cipec) announced in Paris that copper shipments by its member countries—Chile, Peru, Zaire and Zambia—in the five months to end April this year totalled 885,000 tonnes against original plan for sales of 987,000 tonnes, reports Reuter.

Coffee up sharply on frost fears

By Peter Bullen

REPORTS OF frost, and even snowfalls, in the Parana coffee growing region of Brazil yesterday sent prices soaring in London and New York.

By the close, September coffee on the London Robusta terminal market had risen by £30.5 to £520.25 a tonne while the New York market opened the permissible two cents a pound limit up.

Unlike earlier reports this season, London dealers think the latest news from Brazil is more serious. The temperature in one or two places in Parana were down to zero and at least one area had three degrees of frost although this was not thought to be a major coffee growing spot. The snow was reported from Curitiba near the coast of Parana.

Further frosts were expected last night but no reports of any actual damage to the coffee crop have yet been received in London.

The crop at risk is next year's, which will be harvested in May and June. At present the coffee is at its vulnerable budding stage although there is a possibility of partial recovery from early frosts.

Brazil produces well over 30 per cent. of the world's coffee.

● Cocoa prices also rose sharply in London yesterday, mainly as the result of the general firmness in commodity values inspired by the Soviet grain purchases from the U.S. and Canada. The September position closed £19.25 up at £590.5 a tonne.

Eggs to cost more next week

By Peter Bullen

EGGS WILL cost 3p to 4p a dozen more in shops next week following increases yesterday in first-hand selling prices. Large eggs will be 3p a dozen dearer and all other grades will rise by 4p.

A drop in imported supplies, a slight fall in home produced eggs and firm demand that could pick up even more during the peak holiday weeks ahead have all contributed to the increase in prices.

However, even with the 2p to 3p a dozen rise on large eggs last week producers' returns are in the main still below the break-even point. Mr. David Lewis, chairman of the National Egg Producer Retailers' Association, said producers would not be happy until the EEC Commission took permanent action to prevent imports from disrupting the U.K. market.

AGRICULTURAL MARKETING

Farmers more willing to co-operate

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

WOULD-BE reformers of the British farming system have always suggested that if only farmers co-operated more with each other in their buying and selling many of their financial problems would be eased. This is a pretty facile judgment. There has up until now been no real evidence that the existing system of co-operatives is any more efficient a way of passing farm produce on to the consumer than through the established channels of trade in our particular market.

It is not that—as I would be the first to admit being one myself—farmers on the whole are highly competitive non co-operating animals clinging to their individuality at all costs. It is simply that circumstances here have not in the past been conducive to the development of co-operative marketing on a large scale.

The favoured

Countries where co-operation has flourished have been those where the system has had the support of Government both in cash and by legislation, where frequently produce has had to go through a bottleneck for export or where the returns from the trade have been so low that no single free enterprise firm could have been found to carry it on.

The enormous silos dotted over the French grain growing areas have been based on the favoured treatment that co-operatives have enjoyed under French governments for many years. The rigid Dutch horticultural marketing system is based on the principle of the destruction of produce until the market price is sustained. It is possible that if the New Zealand meat trade had been as tied-up co-operatively as its dairying industry that things would be a great deal better. But New Zealand dairy farmers found that bottleneck selling was the only possible outlet in bad times.

British agricultural co-operation has had a long history of disappointments but there are signs that self interest at last is beginning to influence farmers to a more co-operative way of thinking. There has been rather spasmodic Government aid and a good deal of propaganda on behalf of the co-operative principle culminating in the formation of the Central Council for Agricultural and Horticultural Co-operation some years ago to co-ordinate and assist financially in the development of co-operatives.

The Council's formation coincided with the changing pattern of the retail trade from the individual to the supermarket and chain store type of trader. These found that they could not be sure of a constant supply of horticultural produce by reliance on the traditional wholesale markets alone. Nor could individual growers for the most part provide the throughput to maintain continuity of supply.

An interesting development I visited recently was that of the Gloucester Marketing Society in Cheltenham. The Society which had run an auction, and still does for general horticultural produce, has set up a separate department which contracts with its members to grow certain acreages of crops and then processes, packs and labels them on behalf of its customers. No price is fixed at the time of planting the crop but the buyers guarantee to take definite quantities throughout the year.

At first sight the absence of a fixed price is unattractive but as long as the final price is fixed at a level equivalent to the market price of the day there cannot be many grumbles. It must also be remembered that just as the secure outlet is attractive to farmers so is certainty of supply to the buyer, and this common interest is probably the best guarantee that the system will develop on lines satisfactory to both parties.

Although these arrangements are obviously suitable for horticultural produce, and eggs too are being sold in this way, the prospects for grain and livestock are not similar. In both cases the margins at the wholesale stage are very narrow indeed, mainly because of intense competition among buyers. FMC which started as a co-operative became a public company and while its presence adds further competition it has not in my opinion done much to further the development of producer controlled marketing.

Hard years

There does now seem to be a marked change in farmers' attitudes to marketing generally. Co-operation between groups of producers for such things as growing rape seed, harvesting peas and other vegetables, selling grain, weaner pigs and so on are being looked on as a sensible way of developing markets. This change of mood fits in with the bias towards co-operative-marketing as a principle enshrined in the Common Agricultural Policy. The Central Council is the channel for funds and advice for agricultural co-operation generally and there is a possibility that instead of trying to drag a generally apathetic farming industry towards co-operation it will be riding on a favourable groundswell.

This should make things easier for Sir James Barker who takes over from Sir Roger Falk as chairman of the Council at the end of this month. Sir Roger has had eight hard years tirelessly nuturing co-operation and the results are just beginning to show probably because of the changing market conditions make co-operation, rather than confrontation, with the buyer the better course.

Russian rumours lift sugar prices

BY JOHN EDWARDS, COMMODITIES EDITOR

SUGAR PRICES moved up strongly on the London terminal market yesterday following reports that the Soviet Union had been in the world market buying raw sugar from the Philippines.

Although no official confirmation was available, it was believed that a purchase of some 150,000 tonnes of Philippines raws had been made but it was not known whether this was a purely commercial transaction or part of a wider trade deal.

In any event the market was excited both by the prospect of buying by Russia and the general impact the Soviet grain purchases were having on commodity markets. In the morning the London daily price was raised by £15 to £185 a ton and values in many months rose the permissible limit in the futures market. At the close the October position was over £20 up at £184.

COMMODITY MARKET REPORTS AND PRICES

BASE METAL

COPPER—Lower on balance on the London Metal Exchange. After a steady opening which reflected the initial firmness of sterling, prices retreated under general selling which included stop-loss and hedge offerings, some thought to have been on U.S. account. Forward metal fell to £571 but then started to recover following the opening of Comex which, although easier, was not as low as had been anticipated. Speculative demand rallied the forward price to £577.5 by the close of the afternoon Kerb. Turnover 24,150 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £564, 63, three months £577 to 76, 72, 73, 72, 71.50. Cathodes: three months £[illegible]. Kerb: Wirebars: cash £[illegible], early-Aug. [illegible], three months £572, 71.50, 72, 72.30, 73. Afternoon: Wirebars: cash £[illegible], 57.50, 58.20, three months £575, 75.50, 76, 77. Cathodes: three months £[illegible]. Kerb: Wirebars: cash £559, three months £577, 76, 77.50, 77.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	562.5-3	—11	555.5-9	—2.75
3 months	571.5-2	—11	577.5	—5
Settlem'nt	563	—11	—	......
Cathodes				
Cash	539.5-40	—10.5	546.5-7	—2.25
3 months	558-9	—11	565-.5	—2.25
Settlem'nt	540	—10.5	—	......
U.S. Smlt.	—	......	*60.65.7	......

TIN—Erratic. Despite the fresh strength in Penang overnight, prices here were little changed in early trading although some borrowing of cash metal was thought to have been on behalf of the buffer stock. Later, however, forward metal moved ahead quickly owing to heavy speculative demand and touched £3,135 at one time. Profit-taking which developed at the higher level, including some from the U.S., subsequently lowered the price which ended at £3,130 on the afternoon Kerb. The contango widened to almost £20 during the day. Turnover 1,025 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3108-10	—3	3119-22	+21.5
3 months	3115-8	—1	3131-2	+24
S'ment	3110	—5	—	......
Standard				
Cash	3108-10	—3	3119-22	+21.5
3 months	3115-8	—1	3131-2	+24
S'ment	3110	—5	—	......
Straits E.	‡[illegible]	+11	—	......
New York	—	......	—	......

Morning: Standard: cash £3,105, 08, three months £3,112, 15. High Grade untraded. Kerb: Standard: three months £3,115. Afternoon: Standard: cash £3,112, 15, three months £3,118 to 25, 34, 32, 30, 32. High Grade: untraded. Kerb: Standard: three months £3,134, 35, 36, 33, 30.

LEAD—Mirrored the movements of copper, forward metal ending the day at £171.5 after being down to £168.5 at one time. Turnover 2,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	161.5-2	—4.5	164.5-5	—2.25
3 months	169-.5	—3.25	171.5-2	—1.82
S'ment	162	—4.5	......	......
N.Y. Spot	—	......	19-22½	......

Morning: cash £162, three months £170 to 69.50, 69. Kerb: early-Oct. £168.50, three months £168.50, 69. Afternoon: cash £163.50, three months £170.50, 71.

ZINC — Fractionally lower. Some quarters thought that there had been modest producer support for cash metal at around £320 while forward, after £321, ended at £323. Turnover 3,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	320.25-.5	—.375	320-.5	—.25
3 months	320.5-1.5	—2.25	321.5-2	—1
S'ment	320.5	—1	—	......
Prod. West	—	......	*38½-9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: cash £320, 20.50, 20.25, 20.50, late-July £321, late-Aug. £323, three months £321. Kerb: three months £321. Afternoon: three months £322.50, 22. Kerb: cash £320.

SILVER

Silver was fixed 1.3p an ounce lower for spot delivery in the London bullion market yesterday at 212.1p. U.S. cent equivalents of the fixing levels were: Spot 462.8c (464.1c), three-month 471.1c (472.3c), six-month 481.7c (482.9c), and 12-month 502.9c (503.3c). The metal opened at 212.3-213.3p (464-466c) and after a moderately active day the closing price was 211.7-212.7p (461½-464c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	212.1p	—1.3	212.9p	+0.1
3 months	217.5p	—1.3	218.4p	+0.25
6 months	224.1p	—1.3	—	......
7 months	—	......	225.75p	......
12 months	237.4p	—1.3	—	......

LME—Turnover 218 (199) lots of 10,000 ozs. Morning: Three months 219.1, 17.8, 17.9, 18.0, 17.7, 17.3, 17.4, 17.3, 17.2, 17.4, 17.5. Kerbs: Three months 217.6. Afternoon: Three months 218.8, 19.0, 18.1, 19.0, 18.5. Kerbs: Three months 218.6, 18.4, 18.2, 18.0.

FREIGHTS

OIL TANKERS—A continuing inquiry but not, significantly, for supertankers where the rate has gone beyond Worldscale 30 and where charterers are tending to withdraw their interest. "It is a tactical battle, with charterers refusing to accept even Worldscale 35 with the knowledge of a huge hidden surplus of tankers slow-steaming, apart from the 30m. and more tons actually laid-up," said one broker. An 80,000-tonner relet was fixed to Burmah with a part-cargo of 70,000 tons from Persian Gulf to U.K.-Continent at W.35 and there was new inquiry for 100,000-120,000-tonners in the Persian Gulf. There was more activity in the Caribbeans with eight fixtures reported: a 30,000-tonner was arranged from Caribbeans to USNH for W.[illegible]

DRY CARGO — Confirmation of Soviet Union grain purchases from the U.S. revived shipowners' hopes for some improvement in rate levels although many brokers feel that more than sufficient timecharter tonnage has already been booked to cover the quantities so far announced. Grain bookings were mainly [illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

THE BALTIC—[illegible]

SUGAR

LONDON DAILY PRICES [illegible]

RUBBER

[illegible]

WOOL FUTURES

[illegible]

SOYABEAN MEAL

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

[illegible]

Italian: 3.00; Californian: 4.80-5.00. Apples—South African: Golden Delicious 3.70, Granny Smith 6.00-6.20; New Zealand: Granny Smith 6.10, Sturmer Pippin 3.90; Tasmanian: Democrats 5.30, Crofton 5.80, Sturmer 5.00; French: cartons, Golden Delicious 20 lbs 2.90; Western Australian: Granny Smith 5.80. Pears—Italian: Guyots per pound 0.13-0.16. Bananas—Windward Islands: Per 28 lbs [illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 17 1975	+ or —	Month ago
Metals			
Aluminium	£596	......	£550
Free Market cif	$810-825	......	$280-505
Copper	[illegible]	[illegible]	£517.5
	[illegible]	[illegible]	£536.75
	[illegible]	[illegible]	£505.25
	[illegible]	[illegible]	£524.25
	[illegible]	[illegible]	$152.75
	[illegible]	[illegible]	$159.5
	[illegible]	[illegible]	£162.25
	[illegible]	[illegible]	£1,817
	[illegible]	[illegible]	$1.85-2.0
	[illegible]	[illegible]	£89.75.5
	[illegible]	[illegible]	£65.25
	[illegible]	[illegible]	$110.115
	[illegible]	[illegible]	198.1p
	[illegible]	[illegible]	201.4p
	[illegible]	[illegible]	£3,050
	[illegible]	[illegible]	£3,044.5
	[illegible]	[illegible]	$38-40
	[illegible]	[illegible]	£329
	[illegible]	[illegible]	£311.5
	[illegible]	[illegible]	£560

[illegible]

FINANCIAL TIMES				
July 17	July 16	Month ago	Year ago	
170.51	170.61	154.09	211.35	
REUTER'S				
July 17	July 16	Month ago	Year ago	
1114.7	1111.7	1061.8	1254.9	
DOW JONES				
MOODY'S				

[illegible]

U.S. Markets

Sugar falls limit down on rumours

NEW YORK, July 17.

WORLD SUGAR futures went from the limit up to limit down and settled almost in the middle of the day's range at 15c to 85c higher, reports Reuter. The trade was an aggressive seller during the limit advance which was generated mainly by Commission House short-covering on the rumoured Russian purchase of sugar from the world market. The unsettled condition of most commodity markets during the afternoon uncovered nervous profit-taking in sugar. Cotton futures closed steady on local professional evening-up, and cocoa ended irregular.

Cocoa—Ghana spot 75 nom. (same), Bahia spot 67 nom. (same). July 60.00 (58.55), Sept. 55.25 (54.95), Dec. 51.30, March 50.50, May 50.60, July 50.70, Sept. 50.90, Dec. 51.15 settlements. Sales: 1,553.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams 70.00 nom. (69.25 nom.). "C" Contract: July 56.00 asked (52.40), Sept. 57.00 bid (55.00), Nov. 57.80 bid, Dec. 57.95 bid, March 55.03 bid, May 60.13 bid, July 60.43 bid. Sales: 153.

Copper—July 56.30 (56.70), Aug. 56.40 (56.80), Sept. 56.90, Dec. 58.30. Sales: 2,143 lots.

Cotton—Oct. 48.30-48.35 (48.14), Dec. 46.67-46.68 (46.58), March 49.30, May 50.00-50.10, July 50.55-50.65, Oct. 51.15 bid, Dec. 51.90 bid. Sales: 875.

†Gold—July 164.90 (same), Aug. 165.30 (same), Sept. 166.70, Oct. 168.00, Dec. 170.50, Feb. 173.60, April 176.40, June 179.20, Aug. 182.00, Oct. 184.90 settlements.

[illegible]

STOCK EXCHANGE REPORT

Gilt-edged up again but fall in equities gathers pace

Share index down 11.1 at 296.8—Distillers disappoints

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 30	July 10	July 11	July 22
July 14	July 24	July 25	Aug. 5
July 28	Aug. 7	Aug. 8	Aug. 19

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

It was a day of contrast in stock markets yesterday. Encouraged by news that virtually the whole of the £750m. Treasury 13½ per cent., 1997, "tap" stock had been taken up on application, medium- and long-dated Gilt-edged extended earlier small gains by ¼ after the announcement, leaving final improvements to ⅜. Shorts made a slightly better showing after the previous day's dullness on selling to take advantage of the attractive terms of the new "tap" and the Government Securities index closed 0.07 higher at 61.18.

With a large amount of funds tied up in the Gilt market and a growing feeling that this sector will be the centre of interest for a while, equity markets were left out in the cold. Light selling and the virtual absence of support was more than enough to depress the industrial leaders and the FT 30-share index closed at the day's lowest with a fall of 11.1 at 296.8, making a loss of 16.8 for the first four days of the Account. Sentiment was further undermined by disappointing results from Distillers, down 18½ at 119p, while the £21m. "rights" issue announced by Scottish and Newcastle Breweries did not help matters. News that the executive of The National Union of Mineworkers had voted in favour of accepting the Government's anti-inflationary policy prompted a rally at one stage, but this was short-lived.

Falls led rises by about 9-2 in FT-quoted Industrials and the FT-Actuaries All-share index gave up 2.1 per cent. to 133.52. Official markings of 4,698 compared with 5,083 on Wednesday and 5,865 a week ago.

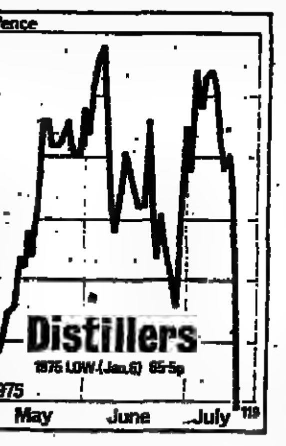
Stunning "tap" news

The stunning report that applications for the £750m. long "tap" Gilt-edged issue were such that normal arrangements could not apply when dealings in the stock start to-day, brought after-hours' trading in British Funds to a halt for some 15 minutes yesterday. Long-dated issues responded to the development by extending earlier fractional gains to ⅜, and occasionally ⅞, despite talk of a possible ultra long new "tap" being announced to-day. Rumours also began to circulate of a medium "tap" coming at the same time and this area, which was already a little uncertain, became more unsettled. The shorts started in easier vein but rallied later to establish closing rises extending to ⅛. Treasury 10½ per cent., 1979, ended ⅛ higher at 97⅝, after 97½.

Sensitive to only a small interest, the investment currency premium rose to 87½ per cent. before falling to 84½ per cent. and then rallying on occasional institutional support to close virtually unaltered on the day at 86⅞ per cent. Yesterday's SE conversion factor was 0.6402 (0.6414).

Home Banks easier

The "big four" Home Banks continued to experience very quiet trading conditions and prices drifted easier. National Westminster, which starts the interim dividend season with its announcement next Tuesday, receded 6 to 212p, while Barclays (interim expected July 31), were similarly cheaper at 232p. Hire Purchases also saw little activity and Mercantile Credit, after Wednesday's advance of 6 on the bid from Barclays, hardened a penny more to 29p. UDT, on the other hand, came back 2 to 19p. First National Finance closed unaltered at 5½p, after 6p, following the annual meeting. Australian issues were weaker, falls of 15 apiece occurring in Bank of New South Wales, 580p, and National Bank of Australasia, 225p. Discount Houses had Allen Harvey and Ross 10 firmer at 300p and Cater Ryder 3 better at 228p, but King and Shaxson shed 3 to 52p.



Insurances generally softened during another slack trading session. Falls of 10 were sustained by Sun Alliance, 388p, and Pearl Assurance, 198p, while Phoenix declined 6 to 200p and Commercial Union 5 to 149p. Among Lloyd's brokers, C. E. Heath receded 10 to 210p and Leslie and Godwin 6 to 110p.

Disappointing preliminary figures weakened Distillers, which fell away steadily to close around the day's lowest with a loss of 18½ at 119p. Breweries had a poor day. Scottish and Newcastle finished 5½ down at 47½p after the results and proposed £21m. "rights" issues. Bass, 85p, and Guinness, 105p, gave up 7 and 6 respectively, while Allied, 37½p, and Whitbread "A," 52½p, were lowered 5 apiece.

Still reflecting the gloomy Nedo forecast, Buildings gave up fresh ground. Taylor Woodrow lost 6 at 274p, while R. Costain, 198p, and Tarmac, 120p, shed 4 apiece. H. and R. Johnson-Richards Tiles gave up 2 more at 100p on the profits setback. Falls of 3 were sustained by Redland, 74p, and Erith, 65p, while small selling lowered Rugby Portland 4 to 63p. G. H. Downing contrasted with a rise of 4 to 118p. G. Dew were also firm at 80p, up 2, on the interim report.

Fisons featured Chemicals with a fall of 18 to 345p, while ICI lost 5 more at 251p. Norsk Hydro, however, put on 2½ points to £32¼.

Burton Group sold

Stores closed on a dull note following an active two-way business. Burton Group were outstanding, the Ordinary falling 8 to 54p and the "A" 9½ to 39p following some sizeable selling in an unwilling market. Standing at 148p ahead of the preliminary statement, "Gussies" "A" moved up to 150p on the better-than-expected figures before closing 3 easier on balance at 147p. Marks and Spencer reacted 4 to 96p, while a similar loss was marked against UDS, 74p. Debenhams finished a penny cheaper at 57p following the chairman's statement at the annual meeting, while John Stephen were also lowered by a penny to 8p on the first-half loss. Mothercare declined 6 to 146p.

Electrical leaders wilted further in very slow trading and finished virtually at the day's worst. BICC receded 7 to 109p and EMI 6 to 168p, while GEC ended 3 cheaper at 119p. A somewhat bearish Press response to Wednesday's better-than-expected results stopped Thorn Electrical in its tracks; the Ordinary and "A" both reacted 8 to the common price of 160p after the previous day's rise of 12. Elsewhere, Racal Electronics failed to be stimulated by the chairman's encouraging statement with the full report and declined 6 to 296p.

Engineerings reacted across a broad front and none more than Hawker which fell 12 to 252p. GKN were finally 5 cheaper at 214p, while John Brown, 49p, and Tube Investments, 244p, both shed 4. Of secondary issues, Turiff were particularly dull at 50p, down 8, while CompAir, in ex "rights" form, closed at 48p for a loss of 6: the latter's new nil-paid shares opened at 6, premium fell to 2, before closing at 3p premium. Reflecting the mid-way setback, Tace slipped 3 to 13p and, on the disappointing final quarter's trading, S. W. Wood came back to 25p prior to settling only 1 easier on balance at 28p. Herbert Morris gained 2 to 44p on the unexpected £1m. conveyor contract. Good interim results lifted Bonser 1 to 25p.

Tate and Lyle, which goes ex the one-for-four "rights" issue to-day, came under fairly heavy selling pressure and closed 15 cheaper at 200p. Elsewhere in Foods, Cavenham, 124p, and J. Sainsbury, 141p, lost 4 apiece. Brooke Bond gave up 2 at 33p. Manbre and Garton reacted to 100p before ending a net 8 down at 102p. Rowntree Mackintosh were marked down a similar amount to 118p on small selling in an unwilling market. Against the trend, Barker and Dobson managed to close a fraction harder at 3½p despite the substantial loss. Supermarkets had an isolated firm spot in William Morrison, which hardened 2 more to a 1975 peak of 90p.

Hotels and Caterers had an easier bias, Grand Metropolitan falling 3½ to 58p and J. Lyons "A" 6 to 126p.

Royal Worcester fall

Miscellaneous Industrial leaders retreated further in quiet trading, but showed one or two pockets of resistance. Wilkinson Match, in fact, improved 5 to 119p on "cheap" buying after recent easiness on the profits setback. Glaxo managed to close unaltered at 350p, after moving between 343p and 353p, while Beecham ended above the day's worst at 281p, down 4, after 278p. No recovery was seen in Reckitt and Colman, 18 down at 303p, and Boots, 6 off at 191p. Elsewhere, Royal Worcester closed prominently lower at 110p, down 26, on the company's projected £1m. "rights" offer and estimated fall in first-half profits. British Building and Engineering Appliances shed 3 to 32p on the lower profits. In contrast, Channel Tunnel met demand in a thin market and closed sharply higher at 32p, up 12, after 35p. Central Manufacturing followed the previous day's speculative rise of 8 with a fresh gain of 4 at 62½p, after 65p, on news that the company are engaged in bid talks with an unnamed party. Gloucester and Cheltenham Greyhounds rose 7 to 47p in response to the 50p cash offer from Suregain Securities.

Lucas Industries suffered a loss of 7 to 107p in yesterday's general shake-out. Dunlop fared slightly better at 46p, only a penny easier, while Rolls-Royce shed 2 to 58p. Garages, however, had their supporters with Adams Gibbon being favoured at a 1975 peak of 33p, up 2. Peterborough Motors held steady at 17p after the improved earnings.

DRG succumbed with other equity leaders and lost 5 to 99p, but remaining changes in Paper/

Business remained slack in dull Property leaders. English Property, however, encountered small "after-hours" support and picked up from an easier House close of 54½p to end 1½ better on the day at 57p; the shares are due to go ex to the "rights" offer of 12 per cent. Convertible Loan stock next Monday. Land Securities, 172p, and MEPC, 102p, both ended a shade above the day's worst with fresh declines of 4 and 3 respectively, while Amalgamated Investment shed 2 to 24½p and Town and City Properties another penny to 19p.

N. Sea oils react

Stockbroker, Wood Mackenzie's view about the size and financial prospects of the North Sea Ninian field cast a shadow over the consortium's partners; Burmah, which has the largest interest, shed 2 more to 30p, British Petroleum gave up 12 to 533p and Ranger 1¼ to £13¼. Also lower were the two smallest holders, Cawoods falling 14 to 136p and National Carbonising 4 to 31p. Dullness enveloped other Oils, Shell reacting 4 to 305p, with similar losses being sustained by Tricentrol, 62p, and Berry Wiggins, 78p. Ultramar were finally 6 lower at 186p, while investment premium influences brought Royal Dutch back ¼ more to £26½. Among Canadians, Pan Ocean slipped 20 to 830p.

Overseas Traders were inclined easier again. Lonrho were noteworthy for a loss of 7 to 115p, while Paterson Zochonis came back 20 to 340p and South African Distilleries and Wines declined 10 to 340p. Ocean Wilsons, however, improved 4 to 94p, while Harrisons and Crosfield, 925p, recouped the previous day's loss of 13.

Press comment failed to generate any interest in Shippings, which closed with small falls following a light trade. Ocean Transport were marked down 4½ to 100p on the £8m. loss incurred through the sale of the Titan tanker, while P & O Deferred receded 2 to 90p. Mersey Docks Units were notably dull at 8¾p, down ¾, following the chairman's disappointing statement at the annual meeting. Against the trend, Hunting Gibson added 3 more at 150p.

Movements of note were far between in Trusts and Financials.

Few Textiles resisted the general downturn, and Courtaulds closed 6 lower at 109p. Pleasantly surprising interim results, however, put Hirst and Mallinson up 1 further to 27p. Elsewhere, RKT were raised 3 to 39p.

Sri Lanka tea shares failed to attract any speculative follow-through from Wednesday's gains on compensation hopes, but prices held steady. Rubbers had a small feature in Kulim, which opened 2 higher at 26½p following "cheap" buying the previous day. Guthrie, however, followed the equity leaders with a fall of 9 to 185p.

Golds steadier

Although there were still scattered losses, Gold shares were looking steadier after this week's disappointing June quarterly profits. The Gold Mines index was a point off at 330.6 while bullion closed 20 cents lower at $164 per ounce.

Southvaal improved ¼ to £19⅝ but Unisel were 7 off at 265p and Deelkraal eased 10 more to 3[illegible]. Financials were generally lower with General Mining (£32¼) and GFSA (£33) each falling £[illegible]. Following the news that the Prieska copper-zinc mine went into the red last quarter, Anglo-Vaal eased ¼ to £15¼ while Middle Wits fell 15 to 463p.

In Diamonds, De Beers eased [illegible] to 322p and Sea Diamond were 2 off at 28p. Platinums gave up a few pence on modest offerings from the Cape with Lydenburg 4 lower at 146p. Coppers were mixed, Cape buying adding 3 to Botswana RST at 80p while Minorco gave up 9 to 203p owing to Continental selling.

The few changes of note in an otherwise quiet Australian sector again concerned the energy stocks. Pancontinental rallied 10 more to 475p. Mid-East Minerals, which has sold half of its holding of 400,000 shares in Pancontinental, were 1 off at 22p while EZ Industries, in which the proceeds of the sale have been reinvested, were unaltered at 210p. Ocean Resources hardened [illegible] to 20p.

Elsewhere, Berjuntai eased 5 to 345p in a Tin group which was more concerned about the impact of the current tin export quota than the firmer tendency in the Penang metal price. Consolidated Murchison's disappointing quarterly profit resulted in the shares being lowered to 680p but rallied on the seemingly ever-present Cape buying to close only 10 off at 67[illegible].

FINANCIAL TIMES STOCK INDICES

	July 17	July 16	July 15	July 14	July 11	July 10	A year ago
Government Secs.	61.18	61.11	61.07	60.51	60.15	60.52	55.91
Fixed Interest	60.73	60.70	60.66	60.14	60.11	59.64	55.30
Industrial Ordinary	296.8	307.9	312.7	305.8	313.6	324.4	261.7
Gold Mines	330.6	351.5	368.1	370.8	387.8	372.1	359.5
Ord. Div. Yld. %	6.81	6.59	6.49	6.65	6.46	6.25	7.58
Earnings Yld. % (full) (a)	20.29	19.64	19.34	20.07	19.09	18.49	20.05
P/E Ratio (net) (a) (b)	7.04	7.28	7.39	7.20	7.49	7.75	6.88
Dealings marked	4,698	5,083	5,172	6,043	6,081	6,865	5,498
Equity turnover £m.	—	47.457	47.739	41.75	61.84	53.17	36.16
Equity bargains total	—	13,772	14,409	15,768	15,786	15,789	10,100

10 a.m. 303.5. 11 a.m. 300.7. Noon 300.4. 1 p.m. 300.0. 2 p.m. 300.0. 3 p.m. 298.8.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=7.60.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 17	July 16
Daily—		
Gilt-Edged	147.3	180.0
Industrials	157.4	172.8
Speculative	47.8	45.0
Totals	106.9	115.7
5-day Av'ge		
Gilt-Edged	147.9	155.9
Industrials	178.9	186.2
Speculative	47.7	48.1
Totals	118.7	124.0

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Thurs. July 17 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Wed. July 16 Index No.	Tues. July 15 Index No.	Monday July 14 Index No.	Friday July 11 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (181)	111.81	−2.0	21.14	7.19	7.09	7.08	114.12	114.29	114.96	117.47	92.99	151.26 (6/6)	61.78 (6/1)	205.87 (4/5/72)	16.70 (13/12/74)
2 Building Materials (30)	96.28	−2.1	20.06	[illegible]	7.71	7.70	97.57	96.84	97.94	99.51	94.87	117.40 (22/4)	48.11 (6/1)	253.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	205.44	1.8	17.62	4.55	8.54	8.54	207.19	209.05	210.22	215.54	151.94	261.51 (25/4)	74.74 (6/1)	389.33 (19/6/72)	71.48 (12/12/74)
4 Electricals (17)	206.79	−3.0	20.19	5.60	7.34	7.55	213.24	216.22	219.00	222.61	169.54	254.64 (6/6)	98.48 (2/1)	380.04 (4/5/72)	84.71 (25/6/62)
5 Engineering (Heavy) (13)	135.25	−0.8	26.00	7.59	5.86	5.86	136.39	135.60	134.75	138.14	109.43	159.79 (22/4)	64.39 (2/1)	202.87 (2/6/72)	64.39 (2/1/75)
6 Engineering (General) (65)	97.28	−1.6	22.55	8.38	6.54	6.54	98.86	98.69	99.04	101.49	76.41	117.40 (6/6)	45.45 (6/1)	168.69 (4/5/72)	46.43 (6/1/75)
7 Machine and Other Tools (9)	39.50	−3.1	17.82	10.45	10.20	10.20	40.74	41.46	41.54	41.56	33.21	48.98 (30/5)	20.11 (2/1)	136.70 (4/7/69)	19.96 (13/12/74)
8 Miscellaneous (23)	104.97	−2.1	23.37	7.46	6.59	6.39	106.10	104.55	104.97	107.05	83.12	121.75 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (59)	84.85	−0.2	25.15	7.23	6.51	6.29	85.00	84.07	83.52	85.24	78.49	93.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10 Electronics, Radio TV etc. (16)	99.49	+0.9	19.87	5.53	7.45	7.42	98.64	96.39	94.87	97.88	95.04	105.34 (6/6)	44.28 (6/1)	287.41 (19/6/72)	42.85 (12/12/74)
11 Household Goods (15)	129.00	−0.2	32.44	7.98	4.51	4.51	129.22	129.55	129.36	131.74	123.96	146.90 (23/4)	64.53 (6/1)	265.82 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (27)	44.68	−2.1	24.38	10.87	[illegible]	[illegible]	45.62	46.79	45.74	46.32	40.06	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (167)	123.31	−2.9	16.38	[illegible]	8.75	8.69	127.00	128.02	128.61	129.25	99.51	146.45 (6/6)	61.95 (6/1)	226.08 (16/2/73)	61.41 (13/12/74)
14 Breweries (16)	138.11	−4.8	14.50	7.28	10.39	10.39	145.07	147.09	146.56	152.04	106.17	165.85 (6/6)	75.58 (6/1)	281.87 (22/11/72)	69.47 (13/12/74)
15 Wines and Spirits (8)	150.32	−9.3	14.98	6.25	9.85	9.86	165.72	166.54	166.84	172.28	126.68	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	76.86 (13/12/74)
16 Entertainment, Catering (16)	140.69	−2.8	15.76	7.91	9.46	[illegible]	144.76	145.95	142.50	146.78	104.54	158.44 (27/6)	65.26 (6/1)	389.99 (12/12/72)	64.85 (9/1/75)
17 Food Manufacturing (22)	134.10	−2.5	15.46	5.90	8.89	[illegible]	137.54	139.07	136.87	140.85	101.92	166.57 (6/6)	62.05 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18 Food Retailing (16)	116.71	−2.0	15.51	5.80	10.78	10.78	119.10	119.87	119.04	125.24	90.12	149.17 (4/6)	57.15 (2/1)	255.08 (15/2/72)	54.36 (11/12/74)
19 Newspapers, Publishing (15)	128.08	−1.1	16.62	7.50	9.11	9.11	129.44	129.28	130.53	133.00	115.65	182.14	58.08	260.39	58.08
20 Packaging and Paper (13)	86.68	−1.6	25.77	8.66	5.69	5.70	87.08	87.78	86.57	88.78	73.24	107.12	43.46	138.69	43.46
21 Stores (30)	101.44	−1.7	14.05	6.29	10.75	10.75	103.16	104.45	99.97	104.61	[illegible]	125.96	52.63	264.39	52.63
22 Textiles (22)	102.08	−3.9	28.35	8.75	4.19	4.09	107.04	110.26	110.30	110.61	116.18	145.07	62.91	263.72	62.66
23 Tobacco (3)	191.68	−2.0	17.28	6.83	6.81	6.81	195.58	193.43	190.35	191.24	188.07	199.16	109.62	259.43	94.34
24 Toys and Games (6)	42.68	−0.4	30.73	8.60	4.47	4.47	42.40	41.71	41.58	41.84	35.65	50.58	22.02	135.72	20.92
OTHER GROUPS (92)															
25 Chemicals (24)	161.34	−1.9	21.62	5.63	5.62	5.52	164.48	165.86	164.16	167.58	124.89	180.17	75.14	201.66	71.20
26 Office Equipment (10)	85.87	−1.7	17.26	6.35	7.82	7.62	86.36	86.36	83.97	84.48	91.30	104.76	45.54	246.06	45.54
27 Shipping (12)	340.85	−2.2	28.12	7.05	5.15	4.96	348.44	351.71	341.56	348.56	298.80	401.24	194.36	517.00	90.80
28 Miscellaneous (46)	130.13	−1.2	20.62	7.59	7.02	7.02	131.63	130.95	130.34	130.77	138.55	150.91	58.29	203.33	58.08
29 INDUSTRIAL GROUP (496)	122.15	−2.3	19.09	6.78	7.56	7.54	124.96	126.64	124.79	127.24	101.10	144.45	59.19	220.17	56.01
30 OILS (4)	285.96	−1.8	25.75	6.31	4.17	3.89	291.22	293.81	286.24	286.33	194.88	298.47	105.61	451.66	87.26
31 500 SHARE INDEX	135.68	−2.2	20.18	6.54	6.66	6.54	138.73	139.89	137.63	140.47	109.09	156.14	64.49	227.95	62.44
32 FINANCIAL GROUP (100)	[illegible]	−2.3	—	5.84	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Banks (6)	139.72	−2.2	26.69	5.64	3.60	3.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Discount Houses (9)	149.09	−1.2	—	8.11	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Hire Purchase (5)	98.58	−2.7	26.11	9.48	5.09	4.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Insurance (Life) (9)	108.62	−2.1	—	8.11	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Insurance (Composite) (7)	101.01	−2.1	—	8.49	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
38 Insurance (Brokers) (8)	164.02	−1.6	10.49	4.36	14.18	14.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Merchant Banks (19)	61.95	−0.6	—	7.39	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40 Property (32)	165.66	−2.2	4.63	3.66	31.55	30.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 Miscellaneous (8)	66.64	−1.0	18.49	9.66	8.84	8.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Investment Trusts (50)	155.17	−0.9	3.27	4.47	30.60	30.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 ALL-SHARE INDEX (650)	133.52	−2.1	—	6.27	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (10)	422.05	−0.9	13.45	7.80	10.80	10.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Teas (10)	105.90	−0.2	34.92	9.90	4.00	3.61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Coppers (3)	557.41	−1.4	54.95	21.15	1.82	1.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47 Mining Finance (11)	124.25	−1.7	9.83	4.25	11.14	11.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48 Tins (8)	93.71	−0.2	10.68	8.65	11.84	10.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 Overseas Traders (13)	212.32	−0.8	16.35	4.56	7.82	7.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	Thurs. July 17 Index No.	Yield %	Wed. July 16	Tuesday July 15	Monday July 14	Friday July 11	Thurs. July 10	Wed. July 9	Tuesday July 8	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	13.76	13.75	13.73	13.93	14.01	13.91	14.10	14.00	15.11	—	—	—	—
2 20-yr. Govt. Stocks (5)	51.01	12.76	50.68	50.53	50.04	49.66	49.44	48.85	47.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 20-yr. Red. Deb. & Loans (15)	47.70	15.45	47.63	47.63	47.37	47.46	46.89	46.75	46.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Investment Trusts Prefs. (15)	46.96	14.85	46.26	46.47	46.47	43.78	45.95	45.93	41.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Coml. and Indl. Prefs. (20)	65.06	14.48	65.71	65.29	64.50	64.50	63.57	63.36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: [illegible]

Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 18p. A list of the constituents of the FT-Actuaries indices [illegible]. CONSTITUENT CHANGES: British Leyland (Motors and Distributors) has been replaced by [illegible] (Electricals). [illegible] has been replaced by Farrow Hepburn (Textiles).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	21	251	−5	302	118
Metal Box 'New'	Nil pd.	14	18*	−2	28*	10*
Bats	25p	11	313	−8	338	164
Distillers	50p	11	119	−18½	150	65½
Cons. Gold Fields	25p	11	232	−8	291	88
Legal & Gen. 'New'	Nil pd.	9	12*	−8	22*	11*
Shell Transport	25p	9	305	−4	348	118
Beecham	25p	8	281	−4	310	116
Boots	25p	7	191	−6	276	91
Courtaulds	25p	7	109	−6	140	53
Grand Met.	50p	7	58	−3	69	19½
Tate & Lyle	£1	7	200	−1	279	91
Thorn Elect. 'A'	25p	7	160	−8	196	73
Central Manf.	10p	6	62½	+4	70	20
GEC	25p	6	119	−3	183	51

* Premium.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (c).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 8	July 21	Oct. 8	Oct. 14
July 22	Aug. 4	Oct. 16	Oct. 28
Aug. 5	Aug. 19	Oct. 30	Nov. 11

"Calls" were dealt in National Westminster Bank warrants, Siebens Oil and Gas, Lex Service, BOC International and ICL. "Puts" were done in ICI and British Petroleum, while "doubles" were arranged in Dunlop, Albright and Wilson, Thorn Electrical "A", Lex Service and Courtaulds.

Industrials							
A. P. Cement	[illegible]	Grand Met.	[illegible]	Tube Invest.	[illegible]	Mines	
Assoc. Leisure	[illegible]	G.U.S.	[illegible]	Unilever	[illegible]	Anglo Amer.	[illegible]
Barclays	[illegible]	Guardian	[illegible]	Utd. Drapery	[illegible]	Broken Hill Prp.	[illegible]
Beecham	[illegible]	Hawker Sidd.	[illegible]	Vickers	[illegible]	Charter Cons.	[illegible]
Boots Drug	[illegible]	House of Fraser	[illegible]	Woolworths	[illegible]	Cons. Gold	[illegible]
Bowaters	[illegible]	Houston	[illegible]			De Beers Dfd.	[illegible]
B.A.T.	[illegible]	I.C.I.	[illegible]			Durban Deep	[illegible]
British Leyland	1¼	I.C.L.	7			Great Boulder	12
British Oxygen	6	Inveresk	10	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	11	Kloof	140
Courtaulds	14	"Lots"	7	Int. Europe	7	Lonrho	19
Debenhams	11	"Mans"	9	Land Securities	22	Loraine	65
Distillers	16	Marks & Spencer	25	Peachey	7	Metals Explor.	8
Dunlop	6	Midland Bank	32	Town & City	6	Poseidon	55
Eagle Star	16	Nat West Bank	30	Town & Comm.	7	Pres. Steyn	275
E.M.I.	20	P & O Dfd.	18			Rio T. Zinc	20
First National	3	Plessey	10	Oils		Welkom	55
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	25	Burma Oil	6	Western M'ng	15
Gen. Electric	14	Reed Int'l	26	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (15)

BRITISH FUNDS (4)
Treas. 9pc 86-89; Fndg. 6pc 1993; Treas. [illegible] 87-91; Redmpt. 3pc 86-96

COMMONWEALTH AND AFRICAN LOANS (2)
Aust. 5½pc 75-78; N. Rhod. 6pc 78-81

FOREIGN BONDS (1)
Peru Assented 3pc

CANADIANS (1)
Rio Algom

FOODS (1)
Morrison (William)

INDUSTRIALS (1)
AD Intnl.

MOTORS (1)
Adams and Gibbon

TRUSTS (1)
N.Y. and Gartmore

TEAS (1)
Assam Dooars

MINES (1)
Vogels

NEW LOWS (8)

BUILDINGS (1)
Feb (Intnl.)

STORES (1)
Rivlin (I.)

INDUSTRIALS (2)
SS and EA; Photo-Me Intnl.

TRUSTS (1)
Rubislaw Inv.

MINES (2)
Roan Cons.; Poseidon; Zambian Copper

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	1,112
Financial and Prop.	[illegible]	[illegible]	383
Oils	[illegible]	[illegible]	13
Plantation	[illegible]	[illegible]	37
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	37
Totals	228	834	1,237

LINCOLN POST

A new harbour complex costing nearly £40,000 is to be built at Lincoln, Britain's largest inland port for canal and river craft. Lincoln City Council will provide most of the money for the complex.

BASE LENDING RATES

AFT International ... 9½%
Allied Irish Banks Ltd. 9½%
Anglo-Portuguese Bank 10 %
Henry Ansbacher ... 10½%
Banco de Bilbao ... 9½%
Banco de Jerez ... 10½%
Bank of Cyprus ... ‡10 %
Banque du Rhone S.A. 10 %
Barclays Bank ... 9½%
Barnett, Christie Ltd.... 11 %
Bremar Holdings Ltd. 10½%
Brit. Bank of Mid. East 9½%
■ Brown Shipley ... 10 %
Cayzer, Bowater Co. Ltd. 10½%
Cedar Holdings ... 10 %
■ Charterhouse Japhet ... 10½%
C. E. Coates ... 10½%
Consolidated Credits ... 12 %
Continental Trade Bk. 9½%
Co-operative Bank ... *9½%
Copleys Bank ... 11½%
Corinthian Securities... 9½%
Credit Lyonnais ... 9½%
G. R. Dawes ... 10½%
Duboff Brothers ... 11½%
Duncan Lawrie ... 10½%
English Transcont. ... 11½%
First London Secs. ... 9½%
■ Antony Gibbs ... 10 %
Goode Durrant Trust... 10 %
Greyhound Guaranty... 9½%
Grindlays Bank ... 10 %
■ Guinness Mahon ... 9½%
■ Hambros Bank ... 9½%
Hawtin & Partners ... 13 %
■ Hill Samuel ... §10 %
C. Hoare & Co. ... †9½%
Julian S. Hodge ... 10½%
Industrial Bank of Scot. 9½%
Jacobs, Kroll ... 11½%
Keyser Ullmann ... 10½%
Kinghurst Securities ... 12 %
Knowsley & Co. Ltd.... 11½%
Lloyds Bank ... 9½%
London & European ... 11½%
London Mercantile ... 11½%
Midland Bank ... 9½%
■ Samuel Montagu ... 9½%
■ Morgan Grenfell ... 9½%
National Westminster 9½%
Northern Comm. Trust 10½%
Norwich General Trust 10 %
Portman Guaranty ... 11 %
P. S. Refson & Co. ... 9½%
Rossminster Accept'cs. 9½%
Royal Trust of Canada 10½%
Schlesinger Limited ... 10½%
E. S. Schwab ... 11½%
Security Trust Co. Ltd. 11 %
Shenley Trust ... 11½%
Standard & Chartered 9½%
Sterling Credit ... 12 %
Stewart Salmon & Co. 9½%
Thames Guaranty ... 11 %
Trade Dvlopmnt. Bk. 9½%
Twentieth Century Bk. 11½%
United Bank of Kuwait 9½%
Wallace Brothers Bank 10½%
Whiteaway Laidlaw ... 10 %
Williams and Glyn's ... 9½%
Yorkshire Bank ... 9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 [illegible], over £25,000 [illegible].
‡ Deposit Base Rate [illegible].
§ Demand deposits [illegible].

MONEY MARKET

Severe shortage

Bank of England Minimum Lending Rate 10 per cent. (since May 2, 1975)

There was a severe shortage of credit in the London money market yesterday and the authorities gave assistance by buying an exceptionally large amount of Treasury bills and Corporation bills from the Discount Houses and the banks. Help was also given by lending an exceptionally large amount overnight to eight or nine houses at Minimum Lending Rate. The main factor against the market was the huge application for the new long tap stock which left the Discount market very short of fresh funds. Other factors against the market were: a net market take-up of Treasury bills, local authority bill maturities, and run-down bank balances from Wednesday. On the other hand there was a fall in the note circulation.

Discount houses paid 9 per cent. to 10 per cent. for secured call loans in the early part and although some late funds may have been found at 7½ per cent., closing rates were in the region of 9 per cent. to 10 per cent. In the inter-bank market overnight loans began at 9½-9¾ per cent. and touched 13 per cent. around lunch time. Later on money was available at 8½ per cent., but closing rates were in the region of 10 per cent.

Short-term fixed-period interest rates in the various sectors were generally firmer. The one-month sterling certificate yield was quoted at 9⅜-9 7/16 per cent., compared with 9 5/16-9⅜ per cent., the two-month was 9½-9 9/16 per cent., against 9 7/16-9½ per cent., and the 12-month was 10 5/16-10 7/16 per cent.

Rates in the table below are nominal in some cases.

July 17 1975	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	8½-13	—	—	—	9¾-10	7½-10	—	—	—
2 days notice	—	—	9¼-9½	—	—	—	—	—	—	—
7 days or 7 days notice	—	9⅝-9⅞	9¼-9¾	—	—	—	9¼-10	—	—	—
One month	9 5/16-9 7/16	9 7/16-9⅝	9⅜-9½	10¼-9⅝	9¾-10½	—	9-9⅛	9¼-9⅝	9½-9⅝	9⅝-10¾
Two months	9⅝-9 9/16	9 7/16-9⅝	—	10¼-9⅝	10-10¾	—	9 7/16-9⅛	9 7/16	9⅝-9⅝	9¾-10¾
Three months	9¾-9⅝	9⅝-9⅞	9⅝-9¾	10¼-9⅝	10¼-10¾	—	9⅛-9¼	9 7/16	9⅝-9⅝	9⅞-10¾
Six months	10-9 15/16	9¾-10	10-10⅛	10¼-9⅝	10½-11¼	—	—	—	9⅞-10	10⅝-11⅛
Nine months	10 1/16-10 3/16	10 1/16-10 3/16	—	10¾-10¼	—	—	—	—	—	—
One year	10 5/16-10 7/16	10 5/16-10 7/16	11¼-11½	11-10½	—	—	—	—	—	—
Two years	—	—	12¼-12½	—	—	—	—	—	—	—

* Local Authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13-13¼ per cent.; four years 13¼-13⅝ per cent.; five years 13⅝-14 per cent. Φ Bank bill rates in table are buying rates for prime paper; buying rates four-month bank bills 9⅞-10 per cent. and four-month trade bills 10½-11 per cent. Approximate selling rates for one-month Treasury bills [illegible] per cent.; two-month [illegible] per cent.; three-month [illegible] per cent. [illegible] Finance House Base Rates (published by the Finance Houses Association) [illegible]. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible] per cent. Clearing Banks Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.4787 per cent.

I.G. INDEX
GOLD 162½-165½

CORAL INDEX
Close 295-300

INSURANCE BASE RATES

Atlantic Assurance ... 11¼%
Cannon Assurance ... [illegible]
† Property bond table.

AUTHORISED UNIT TRUSTS

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	36.2	37.7	−0.6	5.83
BL Balanced*	27.8	29.4	......	6.62
BL Capital*	29.4	31.1	......	4.36
BL Dividend*	25.7	27.2	......	8.97

*Prices on July 16. Next dealing July 23.

G. & A. Un. Tst. Mgrs. Ltd.♥ (a)(b)
5, Rayleigh Rd., Brentwood. (0277) 227300.

G. & A.	21.3	22.8	−0.4	5.75

Gartmore Fund Managers♥
2, St. Mary Ave. EC3A 8BP.

British Trust	30.3	32.6	−0.7	4.72
High Income Tst.	27.8	29.9	−0.1	12.32
(Z)Overseas Tst.	25.4	27.3	−0.2	1.62

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Craig Ship. £1	430	......	Shiloh Spinn.	22	......
Ash Spinning	37	......	Hallam Sleigh 10p	7½	−½	Sindall (Wm.)	43	......
Bertam	18	......	Higsons Brew.	85	......			
Brady (G.) 'A'	47	......	I.O.M. Stm. £1	120	......	IRISH		
Bdg'wtr Est. 50p	120	......	Holt (Jos.) 25p	185	......			
Clover Croft	35	......	Kleen-e-Ze	24	......	Alliance Gas (£1)	50	......
Craig & Rose £1	318	......	Lovell's Ship £1	130	......	Carroll (P. J.)	109	......
Dyson (R.A.)	25	......	N'thn. Goldsmith	42	......	Clondalkin	49	......
Ellis & McHdy.	57	......	P.M.A.	35	......	Concrete Prods.	55	......
Evans Fr'k 10p.	36	......	Pearce (C. H.)	50	......	Goodbody (£1)	58	......
Evered	16	......	Peel Mills	16	......	Heiton (Hldgs.)	30	......
Fife Forge	47	......	Richards 10p	9	......	Irish Distillers	62	......
Finlay Pkg. 5p	16	......	RobbCaledon5p	30	......	Irish Wire	40	......
Frost & Reed 20p	85	......	Sayers 12½p	7	......	Jacob	50	......
Gardiner & Sons	11	......	Sheffield Brick	60	......	Sunbeam	11	......
Gardner (L.)	60	......	Sheff. Refrshmt.	145	......	Unidare	65	+1

FOOD PRICE MOVEMENTS

	July 17 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	820	820	820
British A.1 per ton†	815	815	815
Irish Special per ton†	815	815	815
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton§	815	815	815
BUTTER (packet)			
NZ per 20 lb†	7.09-7.15	7.09-7.15	—
English per cwt†	41.14-41.16	41.14-41.16	41.14-41.16
Danish salted per cwt†	42.10-43.40	42.10-42.30	42.10-42.30
CHEESE¶			
English cheddar white rindless 40-lb per cwt.	—	—	—
NZ per 20 kilos	15.61	15.61	15.61
EGGS*			
Home-prod. Standard	2.90-2.25	1.55-1.70	2.00-2.30
Large	2.80-2.90	2.50-2.65	2.90-3.00

	July 17 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides ex KKCF	29.0—33.0	30.0—34.0	34.0—37.0
Eire forequarters	16.0—18.5	16.0—18.0	20.0—23.5
Argentine chilled rumps	—	—	—
LAMB			
English	27.0—30.0	26.0—30.0	32.0—36.0
NZ 2s-Ds	29.5—30.0	30.0—30.5	30.0—31.0
PORK (all weights)	24.0—32.0	25.0—32.0	23.0—33.0
MUTTON			
English ewes	13.0—13.0	12.0—13.0	12.0—13.0
POULTRY			
Broiler chickens	24.0—27.0	25.0—27.0	24.0—26.0

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery July 29-August 5. ** FMC prices.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.,
14, Rue Aldringer, Luxembourg.

U.S. Trust Inv. Fnd.	US$12.90	−0.14	0.95

Net asset value July 16.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

CMT Ltd June 26	£10.61	10.28	......	—
Conv. Bond July 16	$US8.45		+0.03	—
Energy Int. July 16	$US13.34		−0.08	—
Grsh.St.$Fd. Jn20	US$7.52		......	—
TMT Ltd. July 10	£11.74	12.05	......	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd.	US$12.23	−0.13	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses b Today's prices c Yield based on offer price. d Estimated g Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ‡ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude Inv. $ premium

AMERICANS

[illegible]

S.E. List Premium [illegible]

CANADIANS

[illegible]

S.E. List Premium [illegible] Conversion factor [illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	780	Durban Deep R1	975	......	‡Q118c	ϕ	‡
£14	860	E.Rand Prp. R1	955	+10	‡Q115c	ϕ	‡
105	55	Rand Leases 2½c	57	+2	—	—	—
£34½	£22	Randf'tn Est. R2	£26½	−¼	—	—	—
500	260	West Rand R1	325	−15	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	285	......	†Q51c	1.1	11.2
23	13	Daggafontein 50c	16	......	—	—	—
105	60	East Dag R1	63	−2	‡Q25c	ϕ	‡
140	140	Grvl. Areas 5c	140¢	......	—	—	—
380	210	Grootvlei 30c	250	......	‡Q32c	1.1	‡
820	410	Kinross R1	690	−10	†Q50c	1.5	4.6
198	107	Leslie 80c	118	+1	†Q22c	1.6	11.7
550	325	Marievale 70c	330	−15	‡Q84c	1.1	‡
725	380	S. African Ld. 35c	490	......	‡Q85c	1.2	‡
265	170	Vlakfontein R1	170	−5	Q35c	1.3	13.3
£13¼	840	Winkelhaak R1	£10	......	†Q94c	1.2	4.0
120	65	Wit. Nigel 25c	80	......	Q1c	10.9	0.8

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25	820	−10	Q100c	ϕ	7.6
£21½	£17	Buffels R1	£19	......	Q180c	ϕ	6.0
430	293	Deelkraal R0.20	370	−10	—	—	—
£14¼	920	Doornfontein R1	£11¼	......	Q110c	ϕ	6.1
£12¾	725	East Drie R1	960	−5	Q65c	ϕ	4.2
£12½	725	Do Comb Units	960	......	—	—	—
450	295	Elsburg R1	365	......	Q45½c	—	7.8
£31	£16	Hartebeest R1	£26	......	Q215c	ϕ	5.2
£13¼	815	Kloof Gold R1	£10¾	−⅛	Q55c	ϕ	3.2
£17¼	875	Libanon R1	£11	−¼	Q110c	ϕ	6.3
£13¾	960	Southvaal 50c	£10¾	+¼	Q9c	ϕ	0.5
480	340	Stilfontein 50c	350	......	‡Q65c	1.3	‡
£33¼	£21	Vaal Reefs 50c	£27½	+¼	‡Q230c	1.7	‡
£11½	650	Venterspost R1	790	+10	Q70c	ϕ	5.6
£55	£34	W. Drie R1	£43¼	+¼	Q485c	ϕ	7.0
745	450	W'st'rn Areas R1	555	−5	†Q70c	1.4	7.9
£23	£15	Western Deep R2	£19¼	......	‡Q160c	ϕ	5.2
530	295	Zandpan R1	450	−5	Q35½c	ϕ	5.0

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	290	Fr. State Dev. 50c	340	−10	†Q12c	1.8	2.2
£32¾	£21	F.S.Geduld 50c	£29¼	−¼	†Q310c	1.1	6.8
265	196	F.S. Saaiplaas R1	215	−5	Q16c	1.1	4.7
960	550	Harmony 50c	860	......	Q77c	ϕ	5.6
575	320	Loraine R1	335	+10	Q12c	6.7	2.2
£28¾	£19½	Pres. Brand 50c	£24	......	†Q245c	1.3	6.4
£25¼	£14½	Pres. Steyn 50c	£16½	−¼	†Q135c	1.8	5.1
£39¾	£21½	St. Helena R1	£28½	......	†Q238c	1.2	5.1
340	210	Unisel	265	−7	—	—	—
525	370	Welkom 50c	420	−5	†Q55c	1.6	8.2
£40	£27¼	W.Holdings 50c	£34½	−¼	†Q445c	1.1	8.1

FINANCE

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
520	313	Ang. Amer. 10c	455	−5	Q29c	2.0	40.0
£45½	£27½	Ang. Am. Gold R1	£40	......	†Q250c	1.4	3.9
£16¼	850	Ang-Vaal 50c	£15½	−½	Q95c	ϕ	3.8
205	87	Charter Con	177	−1	24.8	2.2	5.4
290	188	Cons. Gold Field	232	−8	t26.8	4.5	4.4
32	17	E. Rand Con. 10p	22	......	0.92	1.4	6.5
400	230	Geduld Inv. R1	395	......	Q34c	0.4	5.4
£38¾	27½	Gen. Mining R2	£32½	−1½	‡Q210c	2.1	4.0
£39	£24½	G. Fields S.A. 25c	£33	−1½	bQ190c	1.5	3.6
£27¼	11¾	Joburg Cons. R2	£25½	+⅛	†Q135c	2.3	3.3
530	260	Middle Wit 25c	465	−15	28	ϕ	3.8
315	184	Minorco SBD1.40	263	−9	‡Q30.2	1.1	‡
305	160	New Wit 50c	260	−15	†Q14c	1.8	3.4
£10¼	760	Patino NV Fls 5	875	......	QC40c	10.5	2.0
£11	730	Rand Selection 50c	925	−25	†Q70c	1.6	4.7
695	322	Selection Trust	550xd	......	♦56	ϕ	3.9
450	255	Sentrust 10c	360	−10	Q30c	ϕ	5.2
81	27	Silvermines 2½p	56	+1	a160	1.6	7.1
170	130	SW Africa 20p	150	−5	88½	2.0	18.2
£14½	560	T'vaal Cons. Ld. R1	£14	−½	†Q55c	2.5	0.0
475	250	U.C. Invest R1	410	−5	Q36c	1.2	5.5
580	390	Union Crp. 6.25c	515	−10	Q42c	1.6	5.1
£23	13½	Vereeniging R2	£21½	......	QR1.15	ϕ	3.3
104	30	Vogels 2½c	104	+1	Q6c	1.0	3.7

DIAMOND AND PLATINUM

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£33	£15¼	Anglo Am.Inv 50c	£32	......	Q290c	1.0	5.7
146	48	Bishopsgate Pll.10c	108	−2	‡Q8c	0.9	‡
333	161	De Beers Df. 5c	322	−5	Q25c	2.2	48.7
£17	£11½	Do.40pc Pf. R5	£16	......	128.9p	125.5	8.1
150	80	Lydenburg 12½c	146	−4	Q13.9c	1.0	6.2
235	100	Pot. Plat. 2½c	232	−2	‡Q21c	1.0	‡
205	94	Union Plat. 10c	192	−4	‡Q20.4c	1.0	‡
205	95	Waterval 5c	192	−4	‡Q21.4c	1.0	‡

CENTRAL AFRICAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
345	198	Coronation 25c	235	−5	‡Q92c	1.4	‡
250	175	Falcon Rh.50c	215	......	†Q55c	1.5	—
52	42	Globe Phnix 12½p	48	......	10	—	4.1
24	15	Rho.-Corp. 16⅔p	19	......	Q5	8.0	4.4
440	270	Roan Cons. K4	270	−5	‡Q95	1.8	‡
230	92	Tanganyika 50p	180	−4	Q26	1.2	7.2
75	60	Do. Pref. 80p	70	......	Q9	18.0	10.7
38	26½	Wankie Col. Rh.1	38	......	‡Q12c	1.3	—
70	51	Zam.Cpr SBD0.24	51	−1	Q17.3p	1.1	33.9

AUSTRALIAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
24	10	Acmex 25c	20	......	—	—	—
138	96	A. M. and S. 50c	109	......	Q14c	1.5	7.5
122	76	Bougainville 50c	91	−2	Q27½c	ϕ	17.1
242	150	BH South 50c	150	......	‡Q13c	2.5	‡
215	115	Gold M.Kalg.$1	115	......	—	—	—
85	36	Gt. Boulder 10c	74	......	♦Q2c	‡2.8	1.5
137	76	Hampto Areas 5p	104	−2	23.6	ϕ	1.8
115	34	Metals Ex. 50c	34	......	—	—	—
43	17	Metromar 20c	16	......	—	—	—
246	117	M.I.M. Hlds. 50c	194	......	sQ14c	2.2	4.1
135	88	M. Lyell 25c	95	−5	sQ7.5c	4.5	4.5
2¾	1½	Newmetal 10c	1½	......	—	—	—
138	102	North B. Hill $1	108	......	Q9c	1.5	4.7
16½	8	North Kalg. 30c	10	......	—	—	—
75	47	Oakbridge $A1	63	......	Q7	2.6	6.3
520	220	Pancont'l 25c	475	+10	—	—	—
25	9	Paringa M&Ex.5p	15	......	—	—	—
360	235	Peko-Walls'd 50c	290	+10	Q15c	ϕ	3.0
*345	200	Poseidon 20c	200xr	−5	—	—	—
3	2	Scamander 25c	2	......	—	—	—
20	8	Vulcan Min. 50c	18	......	—	—	—
6	4¾	Westmex 10c	5	......	—	—	—
214	137	W. Mining 50c	158	......	Q8c	1.0	2.9
50	30	Whim Creek 20c	30	......	—	—	—

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	47	......	5.19	1.6	17.0
160	77	Ayer Hitam	120	......	9.8	1.2	12.6
36	10½	Beralt Tin	11	−1	—	—	—
424	268	Berjuntai $M2.5	345	−5	Q$M2	ϕ	10.1
18	13	Ex. Lands 10p	15	......	15	ϕ	15.4
246	197	Geevor	197	......	†18.5	2.3	14.4
18	11	Gold & Base 12½p	13	......	0.84	1.6	10.7
288	157	Gopeng Cons.	210	......	14.25	ϕ	10.4
73	55	Hongkong	64	......	—	—	—
58	40	Idris 10p	48	......	6.7	2.2	21.5
11	7	Jantar 12½p	10½	......	—	—	—
68	43	Kamunting 15p	58	......	†6.0	0.8	15.9
165	140	Killinghall	160	......	48	—	11.5
192	106	London Tin 20p	163	......	7.0	1.3	6.6
220	93	Malay Dredging	170	......	g43.9	1.6	9.9
49	27	♦Pahang	42	−1	†Qh12½	1.5	7.7
65	44	Pengkalen 10p	52	......	7.0	1.0	21.1
97	75	Petaling $M1	96	+1	—	—	—
23	8	Saint Piran	13	......	‡1.33	1.3	‡
135	68	South Kinta (10p)	115	......	†8.25	0.9	11.0
180	73	Sthn. Malayan	135	......	g43.9	1.4	12.5
83	47	Sungei Besi 20p	60	−2	30	ϕ	15.4
43	33	Sungei Way $M1	37	......	ZQ10	—	4.7
84	48	Tanjong 15p	57	......	4.35	2.3	11.7
75	52	Tongkah Hb $M1	52	......	‡Q30	1.3	‡
93	42	Tronoh	68	......	4.02	3.5	9.1

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	56	Botswana RST R2	90	+3	—	—	—
390	196	Messina R0.50	325	−5	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8½	......	m0.5	—	1.6
65	17	Charterhall 5p	63½	+2½	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	670	−10	‡Q130c	2.2	‡
53½	29½	Laurasia	42½	+3	—	—	—
19	12	NRD $1	13	......	—	—	—
375	200	Northgate C$1	300	−2	Q65c	1.0	9.4
211	80	R.T.Z.	178	−3	19.9	4.4	4.3
135	47½	Sabina Inds. C$1	76	−1	—	—	—
77	51	Stanford Mines ||	77	......	—	—	—
£12½	875	Tara Expln. $1	£10	......	—	—	—
78	38	Yukon Cons C$1	70	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; x̸ ex capital distribution.

"Recent Issues" and "Rights" Page 18

FINANCIAL TIMES

Friday July 18 1975

Government delays on pay powers

BY RICHARD EVANS, LOBBY CORRESPONDENT

TO THE confusion of MPs, Ministers are now anxious not to publish their reserve powers legislation before the TUC and Labour Party conferences in the autumn: in order not to damage prospects for the voluntary aspects of the Government's counter-inflation policy.

This was made clear in the Commons yesterday when Mr. Edward Short, the Lord President, refused to disclose when and in what form the legislation would be published.

The widespread understanding of MPs based on Parliamentary answers and on the Prime Minister's Press conference on the counter-inflation White Paper last Friday was that the powers would be published in some form this week, then held in reserve until required.

But Mr. Short, standing-in for the Prime Minister during Mr. Wilson's absence at the EEC Summit in Brussels, told Mrs. Thatcher, Conservative leader, that the Government hoped it would not be necessary to publish the reserve powers at all.

After protests from Conservative MPs, Mrs. Thatcher decided to write to the Prime Minister demanding the powers should be published before the two-day Commons debate next week on the counter-inflation policy.

The Government is certain to come under increasing pressure from the Opposition, from some of its own back-benchers and the CBI to publish the terms of the Bill which is already in draft. But last night the response in Whitehall continued to be that no decision had yet been taken on timing.

Evidence

The position is likely to be clarified when Mr. Denis Healey, Chancellor of the Exchequer, speaks in the economic debate on Monday and spells out the broad purpose of the reserve powers.

There is evidence that the Government's thinking has changed since Friday when Mr. Wilson and Mr. Healey launched the White Paper. Presumably with the impact on foreign opinion foremost in their minds, they gave the clear impression that the Bill would be published this week.

Since then, other views, notably those of Mr. Michael Foot, Secretary for Employment, have advocated indefinite delay in publication, on the grounds that spelling-out the reserve powers could inflame trade union opinions unnecessarily before the autumn Congress.

Ministers pointed out last night that very little purpose would be served by publishing the powers now.

If there was a severe breach of the voluntary policy, a Bill could be introduced at very short notice and would have a retrospective element to ensure that no one escaped its effect. If necessary, Parliament could be recalled during the summer recess.

The Opposition's argument in favour of immediate publication of the reserve powers is that they are central to the Government's counter-inflation policy and should therefore be available for discussion and possible amendment in the Commons.

Guidelines

It is also pointed out that without their publication, employers have no idea of the consequences of defying the White Paper guidelines which proposed a pay limit of a maximum £6 a week in any pay settlement reached after August 1.

In the Commons, Mr. Short told Mrs Thatcher he did not think any useful purpose would be served by publication because the draft Bill was not part of the White Paper.

To sceptical shouts from Tory back-benchers, he added he hoped it would not be necessary to introduce the powers at all.

The Conservative Party last night tabled its reasoned amendment to the Government's White Paper. The intention is to vote for the amendment at the end of the debate next Tuesday but to abstain on the White Paper.

Conservative Whips are confident that virtually all their back-benchers will obey orders and avoid any embarrassing three-way split.

The amendment supports the Government's "belated commitment" to reduce the inflation rate and the acceptance of the need for strict cash limits throughout the public sector and for a substantial reduction in the level of pay settlements.

'Staff paid more than Sir Monty'

By Harold Bolter, Industrial Editor

THE PRIME MINISTER is expected to make an early statement on the salaries of the chairmen and Board members of the nationalised industries, some of whom are being paid less than people junior to them.

It is believed, for example, that there are three non-Board members employed by the British Steel Corporation who get more than the chairman, Sir Monty Finniston, whose gross pay is £28,100.

This situation has arisen because their salaries are within Sir Monty's control, while his own—and that of his Board members—is a responsibility of Government.

The general problem of the distortion caused by the Government deferring consideration of the salaries of the chairman and Board members in the State-owned concerns was pointed out by Mr. Richard Marsh, British Rail's chairman, yesterday.

"Some of the officers employed in these industries are now getting considerably more pay than the Board members who control them—that is the problem," Mr. Marsh said.

But he denied reports that he had asked Mr. Wilson for a 28 per cent. pay rise in a letter sent last week. All he had done, Mr. Marsh said, was to remind the Prime Minister that it is now seven months since he deferred consideration of the salaries of nationalised industry chairmen and Board members.

Mr. Marsh described these reports as "a crude and amateurish attempt by someone to divert attention from MPs' pay increases."

Nevertheless, there is some dissatisfaction among the nationalised industries' chairmen that their salaries have been frozen for two-and-a-half years, while MPs, judges, civil servants and high-ranking army officers have had increases.

In December, the Prime Minister refused to endorse in full the recommendations of the Boyle Committee on top salaries, which would have given the chairmen of some State concerns salaries of between £35,000 and £40,000.

For Sir Monty Finniston and Sir William Ryland, of the Post Office, this would mean increases of around £12,000.

ATT notes placed with Saudis

BY JAY PALMER — NEW YORK, July 17.

AMERICAN Telephone and Telegraph this morning said it has just completed a private debt placement directly with the Saudi Arabian Government.

The sale of $100m. of six-year notes, arranged through First Boston, and carrying an interest rate of 8.4 per cent., is believed to be the first occasion the Saudis have ever directly purchased corporate debt.

At the same time, and leaving aside rumours that the Saudis were heavy buyers of the recent General Motors debenture issue in New York, this is believed to be one of the first times any European or American company has even indirectly tapped this source of Arab funding.

Although Saudi Arabia, since the sharp increase in oil revenues, has been a buyer of Western Government and semi-Government issues, they have, until now, stayed out of the corporate markets in their own name.

Wall Street dealers this morning said that this once-categorical policy was changed two months ago when the Saudis let the word out that they might be interested in corporate securities.

While Saudi officials in New York and Washington would not confirm this policy change, their interest is apparently being limited to only triple-A credit-rated companies for the moment.

At the same time, they are understood to have "a preference" for seven to eight-year maturity for company debt against a willingness to buy Government securities dated over ten years.

According to several New York investment banks, the Saudis have also let it be known they are not willing to buy the debt of any of the U.S. oil companies.

While other private placement negotiations with the Saudi Government are now understood to be underway, these restrictions work to prohibit any great rush to tap this source of financing.

Nevertheless, a few companies with lower credit-ratings are understood to be preparing for the day that the Saudis are willing to talk.

News of the AT and T debt sale has sparked off speculation that Saudi Arabia may have received a strong hint that the U.S. withholding tax may be eliminated sooner than otherwise expected.

Political moves to remove this tax (which cuts the effective Saudi return on the AT and T debt to 5.0 per cent.) have been bogged down in Congress.

Bank's adviser talks with institutions

BY STEWART FLEMING

THE PROBLEMS of identifying and assisting companies which may be heading for serious financial difficulties has been one of the main areas of discussion between Sir Henry Benson, the Bank of England's recently appointed industrial adviser, and some of the City's leading institutional groups.

Involved in the talks have been representatives of such organisations as the British Insurance Association and the National Association of Pension Funds.

One of the main points being emphasised yesterday is that the Bank of England will be moving with extreme caution in any new moves in this area. In 1972, the Bank publicly announced an initiative designed to encourage institutional investors to play a more active role in promoting efficient management in British industry. But this initiative foundered, following objections put forward by the British Insurance Association. Clearly the Bank will be determined to avoid a repetition of these events.

While the Bank's policy may be expected to evolve slowly, the soundings which Sir Henry is taking in the City are evidently stimulating a vigorous debate within the institutional groups who see that some of the issues Sir Henry is raising touch closely on their own activities and their relationship with the Government.

Their experience of the Bank of England's pressure for institutional investment funds to be put into loan stock issued by Finance for Industry, coupled with an awareness of the potential financing requirements of the National Enterprise Board, is encouraging some institutions to take seriously the prospect of statutory direction of funds by the Government.

How to meet this challenge if it emerges, and also how to supply equity finance to companies who may not be able to raise it on the Stock Exchange, are subjects of active debate. There have been, for example, high level discussions concerning the establishment of a City-based financial institution which might be seen as a private sector rival to the NEB.

THE LEX COLUMN

The great 1975 gilt rush

Precedents like the issue of £100m. Electricity 3 per cent. back in 1948 were being put forward last night, but there is no doubt that the virtual sellout of the 13½ per cent. Treasury loan, dated 1997—the tap that never was—is a quite extraordinary event. The stagging of local authority issues is normal enough, and indeed there was a massive oversubscription for the £10 paid Derby stock yesterday, but brokers cannot remember when quite so many bargain hunters moved into gilt-edged.

The presence of speculative money on this scale, and the absence of a formal official tap, could make for tricky conditions when dealings open this morning. The market is hoping that the Government Broker will not launch the next tap as soon as this afternoon, but there are some nervous glances at the long medium area, and thoughts about an ultra-long.

Institutional pockets have now been emptied of some £1.2bn. in a fortnight. It's amazing what a White Paper can do.

Index fell 11.1 to 296.8

Distillers

Distillers' 1974-75 figures are startlingly out of line with both its own and the market's forecasts, and its explanations so far are inadequate. In December, the group reported that although profits after six months were £6.5m. higher, the figures for the year ending March would be broadly unchanged. That seemed a major disappointment—but in the event, overall profits are actually £13.1m. lower at £71m. pre-tax after a decline of roughly two-fifths in the second six months.

Distillers points out that stock building in the U.S. ahead of a threatened dock strike pre-empted a substantial volume of export shipments in the third quarter, and it says that the business recession crushed the expected restocking phase during the final three months. The puzzle is that although withdrawals from bond were 13 per cent. down in the U.S. during January-March, export shipments for the industry were actually a shade higher. But Distillers — which represents over half the industry—says that its shipments were well down in the period.

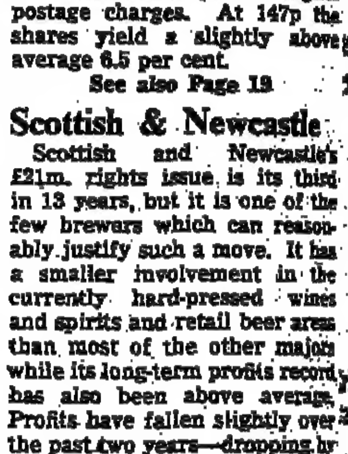
Meanwhile its interest charges have jumped by £4m. to £11m., with nearly all the rise coming in the second half. The last balance sheet contained net cash of £6.8m., but short-term borrowings could account for over one-third of the latest interest debit.

The dividend is still well covered, and although there is an ACT problem, it has gone up by the maximum. So the shares yield 7 per cent., which is almost on a par with the brewers. But having been badly caught out by two succeeding sets of figures, the market has every reason to be cautious about a capitalisation of £430m.

See also Page 20

Preference shares

The Inland Revenue is "thinking" about the situation—but others were thrown into more violent action by a letter in yesterday's F.T. discussing a High Court judgment on the question of preference dividends. Following the introduction of advance corporation tax, it was ruled that preference payments should be netted down at the ACT rate appropriate to income tax at the then rate of 30 per cent. When the basic tax rate rose, the Revenue said that the net payment should remain unchanged: so a 10p gross dividend became 10.77p at the current rate of ACT. In effect, preference dividends became free of tax in excess of 30 per cent.



Now, it seems, a court decision on the question of Sime Darby London's preferred shares has rejected this interpretation. No transcripts are apparently available yet, and a letter in to-day's paper points out that the situation is still very uncertain. However, one sizeable unit trust has decided to suspend dealings as a result of the report. This is a market of 1,500 securities valued at well over £400m., so precise guidance is needed urgently.

GUS

Despite the sluggish profit trends shown by some of the specialist mail order houses, GUS has managed to accelerate in the second half—when pre-tax profits were 12 per cent. higher—and the full year emerges 7 per cent. better at £89m. Sales trends remain fairly unexciting compared with some of the more volume-conscious retail groups—the year's rise was around 14 per cent.—but GUS reports that its liquid balances have continued to increase. And the deferred profit reserve rose £1m. in the second half after dropping £4m. in April-September.

So far in the current year the group has continued to make progress, and furniture remains buoyant though VAT distortions on the electrical side have to be taken into account for the first quarter. As for the staying power of consumers through the coming autumn, GUS argues that its mail order customers will not do too badly out of a £6 increase; on the cost side, self-delivery of half its parcels will blunt the impact of higher postage charges. At 147p the shares yield a slightly above average 6.5 per cent.

See also Page 19

Scottish & Newcastle

Scottish and Newcastle's £21m. rights issue is its third in 13 years, but it is one of the few brewers which can reasonably justify such a move. It has a smaller involvement in the currently hard-pressed wines and spirits and retail beer areas than most of the other majors while its long-term profits record has also been above average. Profits have fallen slightly over the past two years—dropping by 4.5 per cent. in 1974-75—but there was a rise of over a tenth in the second six months.

In the current year, hotels are expected to become profitable while beer volume is so far over 5 per cent. up—by comparison with a period affected by can shortages—though the longer run expansion in the free trade (about three-quarters of beer sales) may be slower than in the recent past. The group's return on capital employed is 12.75 per cent. and the company has major plans for spending on its packaging and distribution network. Nevertheless, the shares fell 5½p from the 53p of Wednesday evening when the discount was about a quarter.

See also Page 20

U.S. GNP drops only 0.3% in quarter

BY PAUL LEWIS, U.S. EDITOR — WASHINGTON, July 17.

THE AMERICAN economy's precipitous decline slowed up sharply in the second quarter of this year, providing further support for the Ford Administration's belief that the recession has reached bottom and an upturn is on the way.

The Commerce Department announced this morning that real G.N.P. declined again for the sixth quarter in a row—but by only 0.3 per cent. after falls of 11.4 per cent. in the first quarter and 9 per cent. in the final three months of last year.

At the same time, the rate of inflation also slowed further as measured by the two main indicators. According to the new "chain" price index the annual rate fell from 7.8 per cent. in the first quarter to 5.8 per cent. in the second. The GNP deflator declined from 8.4 per cent. to 5.1 per cent.

Most of the decline in second quarter GNP stemmed from a further big fall in business inventories and lower industrial investment. After declining $37bn. in the first quarter, inventory investment fell another $14.5bn. in the second, while fixed investment was down $2.3bn. compared with a first quarter fall of $4.3bn.

However, consumer spending picked up markedly at the same time, and the Administration now hopes that inventories have fallen low enough to allow much of this stimulus to pass straight through into manufacturing industry. Retail sales rose 3.3 per cent. in real terms during the second quarter—the first upturn since late 1973. June has already brought a rise in the industrial output index.

Although consumer spending accelerated in the second quarter, tax rebates and a special social security payment also produced an exceptional $63.3bn. rise in personal disposable income, which may further increase consumer confidence. As a result of these one-time payments, the savings ratio climbed to a record 10.5 per cent. compared with 7.5 per cent. in the first three months of the year.

Editorial comment, Page 16

Ministers rally to Prentice

By John Bourne, Lobby Editor

TWELVE SENIOR Ministers, just over half the Cabinet, have added their signatures to the letter to officers of North-East Newham Constituency Labour Party urging them to consider the "damaging effect" on the whole Labour movement of any decision to oust their MP, Mr. Reg Prentice, the Minister for Overseas Development.

And yesterday Mr. Prentice warned the movement that extreme Left-wingers would destroy the Labour Party if they succeeded in ousting him from Newham next week. In a BBC radio interview he said their success would be "very dangerous" for other constituencies.

"I have had good friendly relationships with the great majority of active members of the Labour Party for 18 years since I have been an MP. In the last two or three years a new group of people have come in who are natural conspirators. They are very extreme Left-wingers, hard-line people who haven't wanted to talk to me."

Mr. Prentice alleged they were trying to "change the whole character of the party."

Over 170 sign

The 12 extra signatures of Ministers were posted to the chairman and secretary of the Newham party yesterday. They are those of Mr. Edward Short, Lord President of the Council and Deputy Leader of the Labour Party; Mr. James Callaghan, the Foreign and Commonwealth Secretary and the party's treasurer; Mr. Roy Jenkins, the Home Secretary; Mr. Anthony Crosland, the Environment Secretary; Mr. Harold Lever, Chancellor of the Duchy of Lancaster; Mrs. Shirley Williams, the Prices Secretary; Mr. Fred Peart, Minister of Agriculture; Mr. Roy Mason, the Defence Secretary; Mr. Merlyn Rees, the Northern Ireland Secretary; Mr. John Morris, the Welsh Secretary; Mr. Bob Mellish, the Chief Whip; and Mr. Eric Varley, the Industry Secretary.

This means more than 170 Labour MPs — over half the membership of the Parliamentary Labour Party — have signed the letter, which defends the position of Mr. Prentice as a Minister and a loyal member of the Labour Party. The signatories include over 30 junior Ministers.

Poltics to-day, Page 17

Management contest won by Littlewoods four

BY MICHAEL DIXON

THE 1975 U.K. management champions are the Littlewoods Organisation of Liverpool. The four-man team, whose "paper" consumer - durable company finished with a profit of £6.71m. was awarded the £500 prize and the Financial Times rose-bowl at the Guildhall, London, last night.

Second in the computer-based contest—which started in January with 880 teams—were two married couples, the Duncans and the Smiths from Harrow, playing under the team name of Misery.

The couples, who are in-laws, managed to lift their profit in the closing stages of the game to £4.97m., beating seven men from NCB (Coal Products) into third place by just £8,840.

Fourth and last in the final came three chartered accountants from the Aylesbury office of Thornton Baker. After leading, they fell away amid fierce game price-cutting competition to finish with a profit of only £4.06m.

The winning team has been asked to represent the U.K. in an International contest in Paris next month. Their opponents will be players from Denmark, Holland, Ireland and Zambia.

After presenting the prizes, Mr. Edward Heath announced plans to develop the National Management Game—which has been sponsored annually since 1970 by the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales—into part of a fully-co-ordinated European competition.

Mr. Heath, who described the National Management Game as "a remarkable success story," called on the political parties to agree on a common policy which would enable British industry to compete with overseas companies on a stable basis.

It was also disclosed that the Confederation of British Industry and the Institute of Directors are to become associate sponsors of the National Management Game from next year.

Picture, Page 8

Continued from Page 1

Portugal

apparently fearing violence against its members and possibly the beginnings of an organised counter coup, are mobilising workers and Communist militants for popular vigilance in factories and offices around the country.

There could be some ugly scenes in Oporto towards the end of this week as first the PPD and then the Socialists hold large rallies in the Northern town.

Meanwhile the AFM is increasingly worried about the situation not only in war-torn Angola, where some calm has returned to the capital city Luanda, but in the Azores, where reports of intensification of pro-independence parties' activities are leading to general unrest.

The AFM would be virtually powerless to stop the islands from unilaterally declaring their independence, since all Portuguese troops on the islands are recruited from among local people.

Barker and Dobson reports £3.8m. loss

BY DAVID BELL

BARKER AND DOBSON, the confectionery and food group, which last month said that it had found "inaccuracies" in its accounts, yesterday reported losses and write-offs amounting to some £3.8m.

In the past year four directors, including Mr. W. McPhail, the former chairman, have left the Board and the company said yesterday that a number of executive staff have been replaced, following a £1.3m. loss on the company's chain of 130 Oakeshotts grocers' shops.

Nearly half of this loss was caused, said the company, by too high a level of promotions and a further £200,000 was accounted for by what are described as "excessive warehouse stock losses." Investigation of these losses is still going on.

Company Statement Page 19

Weather

U.K. TO-DAY

SUNNY with scattered showers in S.E. England; cloud and rain in West.

London, S.E., E. England, E. Anglia
Sunny, scattered showers. Wind W., light. Max. 22C (72F).

Cent. S., N.W., Cent. N., N.E. England, Midlands E. and W., Channel I.
Dry, sunny. Wind W., light. Max. 22C (72F).

S.W. England, S. Wales
Sunny, perhaps rain later. Wind S.W., light. Max. 20C (68F).

N. Wales, I. of Man
Sunny, rain later. Wind S.W., light. Max. 18C (64F).

Lakes, Border, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth
Dry, sunny. Wind S.W., light. Max. 19C (66F).

N.E. Scotland, Orkney, Shetland
Dry, sunny periods. Wind S., moderate. Max. 15C (59F).

Argyll, N.W. Scotland, N. Ireland
Cloudy, rain later. Wind S., moderate or fresh. Max. 17C (63F).

Outlook: Mainly dry in E. and S.E.; rain and cloud elsewhere.

Lighting up: London 21.39, Manchester 21.58, Glasgow 22.20, Belfast 22.20.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	S	30	86	London	C	20	68
Amstrdm.	C	20	68	Luxembg.	F	22	72
Athens	S	37	99	Madrid	S	29	84
Barcelona	S	28	82	Manchstr.	C	20	68
Beirut	S	29	84	Melbourne	O	11	52
Belfast	S	18	64	Milan	S	29	84
Belgrade	S	27	81	Moscow	S	24	75
Berlin	F	22	72	Munich	S	23	73
Birmghem.	T	20	68	Newcastle	T	18	64
Bristol	C	21	70	Oslo	S	23	73
Brussels	C	21	70	Paris	S	24	75
Budapest	S	27	81	Perth	O	16	61
Cardiff	F	19	66	Prague	R	23	73
Cologne	F	22	72	Reykjavik	C	9	48
Copnhagn.	C	17	63	Rome	S	30	86
Dublin	R	16	61	Stockholm	S	21	70
Edinb'rgh	C	14	57	Strasbourg	S	26	79
Frankfurt	S	24	75	Sydney	F	15	59
Geneva	S	24	75	Tel Aviv	F	28	82
Glasgow	C	17	63	Vienna	F	26	79
Helsinki	S	17	63	Warsaw	C	22	72
Lisbon	F	22	72	Zurich	S	24	75

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	27	81	Jersey	R	17	63
Algiers	S	33	91	Las Plms.	S	28	82
Biarritz	S	22	72	Locarno	S	27	81
Blackpool	F	21	70	Majorca	S	33	91
Bordeaux	F	24	75	Malaga	S	35	95
Boulogne	C	18	64	Malta	S	33	91
Casablnca.	S	24	75	Mexico Cit.	S	19	66
Corfu	S	32	90	Naples	S	29	84
Dubrovnik	S	30	86	Nice	C	25	77
Faro	S	30	86	Nicosia	S	30	86
Florence	S	31	88	Oporto	F	21	70
Funchal	S	26	79	Rhodes	S	33	91
Gibraltar	S	27	81	Salzburg	S	25	77
Guernsey	C	20	68	Tangier	S	23	73
Innsbruck	S	26	79	Tenerife	S	26	79
Inverness	C	15	59	Tunis	S	36	97
I. of Man	C	16	61	Valencia	S	28	82
Istanbul	S	32	90	Venice	S	30	56

S—Sunny. C—Cloudy. F—Fair. T—Thunderstorm. O—Overcast.

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